

A meeting of the **CABINET** will be held in **CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **THURSDAY, 20 SEPTEMBER 2018** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

**Contact
(01480)**

APOLOGIES

1. MINUTES (Pages 5 - 8)

To approve as a correct record the Minutes of the meeting held on 19 July 2018.

**M Sage
388169**

2. MEMBERS' INTERESTS

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

3. CORPORATE PLAN 2018 - 2022 (Pages 9 - 28)

To provide final comment and recommend the Corporate Plan 2018-2022 to Council for adoption.

**A Dobbyne
388100**

(Executive Leader: Councillor G Bull)

4. INTEGRATED PERFORMANCE REPORT 2018/19 QUARTER 1 (Pages 29 - 60)

To present details of delivery of the Corporate Plan for 2018-22 and project delivery, in the context of the Council's financial performance.

**D Buckridge
388065
A Dobbyne
388100
P Loveday
388605**

(Executive Councillors: Councillors J Gray and D Tysoe)

5. CHANGE TO CONSTITUTION - HDC VENTURES LIMITED - SHAREHOLDER REPRESENTATIVE AND REFERENCE GROUP (Pages 61 - 68)

To consider amendments to the Terms of Reference as recommended by the Corporate Governance Committee, in advance of consideration of the insertion of Arrangements for the Shareholder Representative and Shareholder Reference Group into the Constitution by Council.

**A Roberts
388015**

(Executive Councillor: Councillor D Tysoe)

6. APPOINTMENT TO THE A141 HUNTINGDON AND ST IVES AREA TRANSPORT STUDY STEERING GROUP

To appoint four District Councillors (two from Huntingdon and two from St Ives) to the Cambridgeshire County Council A141 Huntingdon Transport Study and St Ives Area Transport Study Steering Group.

The report and Terms of Reference presented to the Cambridgeshire County Council Economy and Environment Committee can be accessed via the link below:

https://cmis.cambridgeshire.gov.uk/CCC_live/Document.ashx?czJKcaeAi5tUFL1DTL2UE4zNRBcoShgo=cmsCYCyWxVIH5YQuvaZ4yDa6eiumxW%2fyIVPitAXAS8nZg6tu8ZuhLA%3d%3d&rUzwRPf%2bZ3zd4E7lkn8Lyw%3d%3d=pwRE6AGJFLDNlh225F5QMaQWCtPHwdhUfCZ%2fLUQzgA2uL5jNRG4jdQ%3d%3d&mCTIbCubSFfXsDGW9lXnlq%3d%3d=hFfIUdN3100%3d&kCx1AnS9%2fpWZQ40DXFvdEw%3d%3d=hFfIUdN3100%3d&uJovDxwdjMPoYv%2bAjvYtyA%3d%3d=ctNJFf55vVA%3d&FgPIIEJYlotS%2bYGobi5oIA%3d%3d=NHdURQburHA%3d&d9Qjj0ag1Pd993jsyOJqFvmyB7X0CSQK=ctNJFf55vVA%3d&WGewmoAfeNR9xqBux0r1Q8Za60lavYmz=ctNJFf55vVA%3d&WGewmoAfeNQ16B2MHuCPMRKZMwaG1PaO=ctNJFf55vVA%3d

(Executive Leader: Councillor G Bull)

Dated this 12 day of September 2018



Head of Paid Service

Notes

1. Disclosable Pecuniary Interests

- (1) *Members are required to declare any disclosable pecuniary interests and unless you have obtained dispensation, cannot discuss or vote on the matter at the meeting and must also leave the room whilst the matter is being debated or voted on.*
- (2) *A Member has a disclosable pecuniary interest if it -*
 - (a) *relates to you, or*
 - (b) *is an interest of -*
 - (i) *your spouse or civil partner; or*
 - (ii) *a person with whom you are living as husband and wife; or*
 - (iii) *a person with whom you are living as if you were civil partners*

and you are aware that the other person has the interest.
- (3) *Disclosable pecuniary interests includes -*
 - (a) *any employment or profession carried out for profit or gain;*
 - (b) *any financial benefit received by the Member in respect of expenses incurred carrying out his or her duties as a Member (except from the Council);*
 - (c) *any current contracts with the Council;*
 - (d) *any beneficial interest in land/property within the Council's area;*
 - (e) *any licence for a month or longer to occupy land in the Council's area;*
 - (f) *any tenancy where the Council is landlord and the Member (or person in (2)(b) above) has a beneficial interest; or*
 - (g) *a beneficial interest (above the specified level) in the shares of any body which has a place of business or land in the Council's area.*

Non-Statutory Disclosable Interests

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

and that interest is not a disclosable pecuniary interest.

2. Filming, Photography and Recording at Council Meetings

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

Please contact Ms Melanie Stimpson, Democratic Services Team, Tel No. 01480 388169/e-mail melanie.stimpson@huntingdonshire.gov.uk if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Committee/Panel.

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

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

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

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

Emergency Procedure

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

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CABINET held in the MRO.1A and MRO.1B, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Thursday, 19 July 2018.

PRESENT: Councillor G J Bull – Chairman.

Councillors J M Palmer, J A Gray, R Fuller and D M Tysoe.

APOLOGY: An apology for absence from the meeting was submitted on behalf of Councillor Mrs M L Beuttell.

19. MINUTES

The Minutes of the meeting of the Cabinet held on 19th July 2018 were approved as a correct record and signed by the Chairman.

20. MEMBERS' INTERESTS

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

21. SHARED SERVICES' 2017/18 ANNUAL REPORT

The Cabinet received a report (a copy of which is appended in the Minute Book) by the Corporate Director – Services regarding the Shared Service's Annual Report.

The Annual Report reflected the progress that had been made over the last year in the shared service arena, establishing and stabilising operational structures, controlling costs, and beginning to deliver on the ambitious objectives of the original Business Plans.

The Lead Members at each of the three Councils had been consulted regarding the Annual Report and it was required to be endorsed by each of the three partner individual governance committees.

In July 2015, Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council had each approved a lead authority model for shared services, where an agreed lead council would be responsible for the operational delivery of ICT, Building Control and Legal.

The 1st October 2015 was when each nominated lead Council commenced as the Employing Authority for the respective shared service. Since the go-live date each shared service has been working to review staffing structures, working practices and overall service provision in order to deliver the desired outcomes of the shared service partnership. The Annual Report detailed that much of this work was now complete, providing a stable platform on which to proceed.

3C Legal Service, known as 'The Practice', had been through considerable change during 2017/18, including the introduction of time recording software. The savings target had been achieved, which was the equivalent of a reduction of 15% of the net revenue budget after income.

One of the biggest opportunities identified for the 3C ICT service was to consider the digital offer across each Authority and provide coordinated advice and support in shaping the future delivery of digital services. The customer was at the centre of the work ranging from the customer interface and their 'on-line' experience through to digitally enabled applications.

ICT staff retention had now improved following the shared service creation and Partners were now paying 4% less for their ICT service under 3C ICT, a position that would improve as a number of cost consolidation projects were delivered, one project being the Shared Waste Software.

Recruitment to the Building Control service had been positive - there had been a planned issue with resource and consequently service provision due to termination of agency contractors and the delay between recruitment and appointment of permanent members of the team.

It was noted that the Building Control was working on a variety of key projects for the 3C Partners and were successful when bidding for large contracts.

During 2017/18 the market share for 3C Building Control was 53% with the Private Sector taking around 47%. It was explained that the Building Control fees in comparison to those of the Private Sector were competitive with the added advantage that the service was able to be tailored to an individual's requirements. It was noted that the service was not permitted to make a profit. Building Control had a variety of customers and the Annual Report summarised the positive customer feedback.

In response to a question relating to the additional funds allocated to ICT during the last budget setting process it was explained that some spend had been incorrectly allocated and not appropriately recharged to the other Partner authorities such as for TechOne. However, the funds had been required for other additional spend not incorporated into the budget such as for licences.

It was confirmed that the Annual Report detailed the outturn for 2017/2018 and whilst it was below the target in the original business case, it represented progress, with a clear plan in place to achieve the original target of 15% saving on the starting budgets before the creation of 3C.

Having acknowledged the comments of the Overview and Scrutiny Panel the Cabinet;

RESOLVED

- i. to endorse the Shared Service Annual Report for 2017/18 attached at Appendix 1 to the submitted report; and
- ii. to delegate authority to the Shared Service Management Board to agree any final amendments to the Annual Report in line with comments received from all three partner Councils.

22. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the meeting because the business to be transacted contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

23. THE AVENUE, GODMANCHESTER

The Cabinet considered an exempt report (a copy of which is appended in the Minute Book) by the Head of Resources in relation to The Avenue, Godmanchester.

Having fully considered the report and asked a number of questions, the Cabinet acknowledged the comments of the Overview and Scrutiny Panel. Whereupon it was

RESOLVED

that the Cabinet approves the recommendations as contained within the submitted report.

Chairman

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Public
Key Decision – Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Corporate Plan 2018/2022
Meeting/Date: Cabinet 20 September 2018
Executive Portfolio: Councillor Graham Bull, Executive Leader
Report by: Adrian Dobbyne, Corporate Team Manager
Ward(s) affected: All Ward(s)

Executive Summary:

The purpose of this report is to update Cabinet on the development of the Corporate Plan 2018/2022 and to ask them to make final comments on the Plan ahead of submission for approval by Council on 17 October, taking into consideration comments from the Overview and Scrutiny Panel (Performance and Growth).

The Council's Corporate Plan has been developed to be a four year plan for the period 2018-2022 outlining the Vision, Strategic Priorities and Objectives for Huntingdonshire District Council.

Cabinet are advised that the Integrated Performance Report for Quarter 1 is based on a provisional Corporate Plan prepared in April 2018 in order that we had a Plan that we could work towards and use to prepare performance reports. As such, some of the draft Key Actions and Performance Indicators appearing in that report will not match those in the new version of the Corporate Plan now proposed.

Recommendation(s):

- i. That Cabinet provide final comment on the Corporate Plan 2018–2022; and
- ii. recommend the Corporate Plan 2018 - 2022 to Council for adoption.

1. WHAT IS THIS REPORT ABOUT/PURPOSE?

- 1.1 The purpose of this report is to update Members on the proposed Corporate Plan for 2018/2022.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 The Council needs a clear vision with strategic priorities, setting out its objectives and how these will be achieved. The Council's previous Corporate Plan was for the period 2016 – 2018. It was agreed that a new Plan would be prepared for a longer time period to coincide with the new electoral cycle of four year terms.

- 2.2 The Council's Corporate Plan sets out our priorities for 2018-2022, together with the key actions we are taking to achieve them. It is an ambitious programme of activity for a council that seeks to deliver growth and investment in the local economy whilst at the same time challenging itself to deliver good services for a lower cost. It is important that, in designing solutions and shaping priorities, we are adapting to the challenges we are facing and involve our residents and local businesses. We want to support a safe and healthy environment, deliver economic growth and provide value for money services for the people of Huntingdonshire. We know that we cannot deliver our vision alone. In order to make savings, we need to work with our partners, our businesses and our communities. The plan shows how we intend to do this and includes exploring sharing the costs and benefits of providing services with other public bodies. The reality is that we are being asked to do more for less whilst protecting the range and quality of service we provide to local residents. The Council is working with many partners, including the Combined Authority of Cambridgeshire and Peterborough, to ensure that we are bringing investment to our district and attracting people to live and work here. Our vision sets out our aspirations for the **People** of Huntingdonshire to live in a safe, healthy and prosperous **Place** where communities and businesses can thrive.

- 2.3 The purpose of the new Plan is to set out a new and updated Vision, Priorities and Objectives with revised Key Actions and Performance Indicators (PIs). This review has provided an opportunity to consider whether any Key Actions or Performance Indicators have been achieved and should therefore be removed and whether any new actions or measures should be included. It was also an opportunity to consider whether the actions and measures continue to be the right ones. The review has been undertaken by the Senior Leadership Team with the relevant Portfolio Holders in Cabinet and the Cabinet collectively. The Corporate Plan has been presented under the overarching headings of People and Place along with a more general heading of being an Efficient and Effective Council

- 2.4 Quarterly performance reporting on the previous Corporate Plan has highlighted areas where Key Actions and PIs could be improved. We have taken into account feedback throughout the year from Senior Leadership Team (SLT), Officers who provide data and both Overview & Scrutiny and Cabinet Members.

- 2.5 All Key Actions and PIs were examined. Proposed changes were considered to the work programme descriptions, removal of a small number of actions or PIs, inclusion of some new actions or PIs or revised descriptions for actions or PIs. Proposals include removal of some actions or PIs because they were

complete, not relevant for 2018/2022 or no longer considered a useful measure.

- 2.6 The new Plan has also linked with developments of Service Plans and where appropriate actions or performance indicators in Service Plans for 2018/19 have been included in the Corporate Plan. The Corporate Plan also provides the high level stage in the “golden thread” that runs from the Plan through Service Plans to individual objectives as set out in Staff Appraisals.
- 2.7 The final version of the new Corporate Plan for 2018/2022 will be submitted for approval by Council at their meeting on 17 October 2018.
- 2.8 To support the business planning of the Council, a draft Corporate Plan was produced for April 2018. This followed the process outlined above and as a draft it became a working document to help develop the new finalised Plan. The Plan was for internal use only and was not published as we knew a new Plan post-election was being developed and its main purpose was to help set direction and guidance for the development of Service Plans for 2018/2019 and reporting.
- 2.9 The Corporate Plan will just show the description of the PI. It is anticipated that these set of Indicators would be updated each year to reflect some specific changes in the measures used (where some are no longer deemed to be the best measure or new better measures have been developed), but particularly to update the targets set, as these will be influenced by performance in the previous year. Some Key Actions may change to reflect any new developments in service delivery or where actions have a more limited life span (e.g. delivering a specific action in a particular year). The draft set of Performance Indicators with 2018/19 targets are included in Appendix 2.
- 2.10 An early draft of the Plan was used to prepare the Key Actions and PIs that would be used for reporting in the Integrated Performance Reports for 2018/19. The Integrated Performance Report for Quarter 1 (included elsewhere on the Cabinet agenda) does not take into account all proposed changes due to timing. This will be amended to reflect any changes in the Key Actions and PIs for Quarters 2, 3 and 4.

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

- 3.1 The key impact is that everyone in the Council will be clear about the Vision and Priorities, and have up to date information about the planned actions and how we will measure performance.
- Officers will be clear about what is important and their role as identified through individual objectives
 - Financial Planning will be more clearly linked to corporate planning
 - Service Plans will be developed more clearly linked to corporate planning
 - Members will know what information they will get and when
 - Portfolio Holders will be able to hold Officers to account
 - Overview and Scrutiny will have the information they need to hold Portfolio Holders to account

4. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 4.1 Following Cabinet final amendments to the Corporate Plan will be agreed by Heads of Service and Portfolio Holders and then submitted for approval by

Council. Once adopted, it will be made available to all employees through the Intranet. The Plan will be published on the Council's website and shared with all Members. The key actions and performance indicators in the Corporate Plan will be reported quarterly to Overview and Scrutiny and Cabinet. This report will be an integrated report also incorporating financial performance and progress in delivering corporate projects.

5. COMMENTS OF OVERVIEW & SCRUTINY

- 5.1 The Panel received the Corporate Plan 2018-2022 and the Integrated Performance Report 2018/19, Quarter 1 at its meeting on 11th September 2018.
- 5.2 A Member questioned whether the targets are challenging enough. It was explained that targets set are challenged by Officers and are informed by performance in previous years, national guidelines, statutory obligations and other benchmarking information, and also reflect resource availability, so generally would be more challenging compared to the previous year.
- 5.3 A specific point was raised regarding call centre satisfaction rates and it was explained that the target covers a range of criteria from resolution of the call to had it been passed on to the relevant team.
- 5.4 Where no target has been set, the Panel was informed that this is where the Senior Officers and relevant Portfolio Holder thought the measure would be most useful, however, as it had not been used in the previous year and had not been previously collected, no target was set yet, but this could be added during the year.
- 5.5 In regards to achieving Green Flag status for Paxton Pits, the comment was made that this was setting a target already achieved and that a more beneficial target would be maintaining the Green Flag status for Paxton Pits. (Subsequent to the meeting, it was confirmed that the status was achieved in July 2018 and so it was an action at the start of the period of the Corporate Plan April 2018.)
- 5.6 A Member commented that it could be more useful if the number of new affordable homes delivered was presented as a percentage of total homes delivered.
- 5.7 Some Members of the Panel commented that they would like the target for number of staff sickness days lost per full time employee to be lower than 9. It was explained to the Panel that the target is lower than last year's target of 10 days which was only just met.
- 5.8 In regards to total amount of energy used in Council buildings, a Member commented whether it would be possible to include mileage of Council vehicles within that target.
- 5.9 On grounds maintenance, discussion ensued on how to align the Council's inspection standard with customer expectations as the latter is subjective. It was explained that customers tend to contact the Council when something is wrong and as grounds maintenance requests were down this suggests that customers' expectations are being met.
- 5.10 The Panel commented that if the public knew which Council is responsible for which bit of land this would decrease the number of calls to the Council's Call

Centre. It was explained that the relevant Portfolio Holder is currently working on a project in order to better manage such calls.

6. RESOURCE IMPLICATIONS

- 6.1 Whilst it is anticipated that there will be no resource implications as Service Plans have been and are being prepared for 2018/19 to support the Corporate Plan, any resource issues in delivering the actions and meeting the targets set will be identified.

7. OTHER IMPLICATIONS

- 7.1 No equality or health implications have been identified as a result of the preparation of the Corporate Plan, although the delivery of the Plan will support our commitments to equality and how we support a healthy lifestyle.

8 REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 The Corporate Plan provides a clear direction for what we are doing, why we are doing it and what impact it is having. It will guide the work of Services responsible for delivery of the Council's ambitions.

9. LIST OF APPENDICES INCLUDED

Appendix 1 – Draft Corporate Plan 2018/2022
Appendix 2 – Draft Performance Indicators 2018/2019

BACKGROUND PAPERS

None

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Corporate Plan 2018 - 2022

Introduction

The Council's Corporate Plan sets out our priorities for 2018-2022, together with the key actions we are taking to achieve them. It is an ambitious programme of activity for a council that seeks to deliver growth and investment in the local economy whilst at the same time challenging itself to deliver good services for a lower cost.

It is important that in designing solutions and shaping priorities, we as a Council, are adapting to the challenges we are facing and involve our residents and local businesses. We want to support a safe and healthy environment, deliver economic growth and provide value for money services for the people of Huntingdonshire. We know that we cannot deliver our vision alone. In order to make savings, whilst still providing the high quality services local people want and deserve, we need to work with our partners, our businesses and our communities. The plan shows how we intend to do this and includes exploring sharing the cost of providing services with other public bodies.

The reality is that we are being asked to do more for less whilst protecting the range and quality of service we provide to local residents. The Council is working with many partners, including the Combined Authority of Cambridgeshire and Peterborough, to ensure that we are bringing investment to our district and attracting people to live and work here. Our vision sets out our aspirations for the **People** of Huntingdonshire to live in a safe, healthy and prosperous **Place** where communities and businesses can thrive.



The Corporate Plan shows you our objectives, the work programme we have put in place, the actions we will take and how we will measure our performance

People

Support people to improve their health and well-being

Our Work Programme

Enabling people to live independently through the provision of adaptations and accessible housing



Ensuring new developments have adequate provision of public open spaces including play provision



Facilitate and provide opportunities for positive activities that support residents health and wellbeing needs



Providing accessible green spaces, countryside, leisure and cultural facilities and opportunities



Supporting, enabling and facilitating individuals to improve their health and well-being through self-care



Working with partners to improve health and reduce health inequalities



Prioritising accessible, high quality and well maintained open space, walking and cycling facilities on new housing developments



Meeting the housing and support needs of our population

Key Actions

Improve leisure facilities stock by delivering the Sport and Leisure Facilities Strategy, achieving actions to support implementation on key priority areas

Increase physical activity levels through the provision of activities at One Leisure sites and in parks, open spaces and community settings

Use enterprising and innovative ideas to promote leisure and health facilities and activities to a wider audience

Continue to develop and support early homelessness prevention initiatives in line with the new duties contained within the Homelessness Reduction Act, to help residents remain in their current homes or find alternative housing (to be incorporated into a revised Homelessness Strategy)

Ensure that the principles of earlier interventions aimed at preventing homelessness are embedded within public sector organisations and other stakeholder partners

Support the development of volunteer opportunities

Support sports club development e.g. work with a number of sports clubs over the year

Continue to work with volunteers to manage and maintain relevant parks and open space

Provide financial assistance to people on low incomes to pay their rent and Council Tax

Performance Indicators

We will measure our success in the following ways:

The average length of stay of all households placed in B&B accommodation

The average time between dates of referral of Disabled Facilities Grants (financial help for disabled residents that need to make changes to their home) to practical completion for minor jobs up to £10k

The number of days of volunteering to support HDC service delivery (e.g. Countryside and Leisure and Health)

The average number of days to process new claims for Housing Benefit and Council Tax Support

The average number of days to process changes of circumstances for Housing Benefit and Council Tax Support

The number of actions delivered from the Sport and Leisure Facilities Strategy

The amount of developer contributions secured to improve the facility infrastructure across the district (£'s)

The number of leisure and health facilities improved because of developer contributions

The Participation at targeted services for adults

The Participation at targeted services for older people

The Participation at targeted services for long-term health conditions (including exercise referrals)

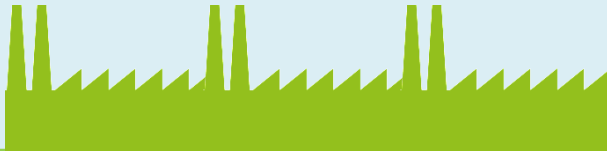
The Participation at targeted services for disability/equality

The Participation at targeted services for young people

People

Develop a flexible and skilled local workforce

Our Work Programme



Ensuring the full range of sufficient **skills** are available to support the **Enterprise Zone**

Creating stronger links between **businesses**, education and training



Working with **businesses** to establish current and future **skills** needs

Key Actions

Encourage and support all levels of apprenticeships across the district

Through business engagement activity, promote links between training and education providers and local business

Performance Indicators

We will measure our success in the following ways:

The number of people attending EDGE 'sharper skills for enterprise' events

The number of EDGE customers supported into work

Develop stronger and more resilient communities to enable people to help themselves

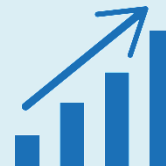
Our Work Programme



Supporting **community** development and enabling the voluntary and **community** sector to develop



Working with **communities** to build resilience



Increasing and supporting the development of the levels of volunteering

Key Actions

Support community planning including working with parishes to complete Neighbourhood and Parish Plans

Actively manage Council owned non-operational assets, where mutually beneficial, transfer ownership of assets to the community

Manage the Community Chest funding pot and voluntary sector funding to encourage and support projects to build and support community development.

Support and encourage community action on litter picking

Performance Indicators

We will measure our success in the following ways:

Percentage of Neighbourhood Plans 'made' by the Council within 8 weeks of a referendum vote in favour of the Plan

Place

Create, protect and enhance our safe and clean built and green environment

Our Work Programme

Ensuring that our streets and open spaces are clean and safe



Collaborate with partners, providers and stakeholders in an enterprising fashion to enhance community resilience and build sustainable opportunities for people



Working closely with partners to reduce crime and anti-social behaviour



Improving the quality of the environment, by including infrastructure that supports people to walk and cycle

Key Actions

Continue to **manage and enhance** the **joint CCTV service** with Cambridge City Council

Reduce incidences of littering through **targeting of enforcement work**

Increase the awareness of Recycling and Green Composting through **organising and supporting community initiatives**

Support delivery of sustainable community / leisure activities / facilities

Maintain clean open spaces to DEFRA Code of Practice on **Litter and Refuse**, compliant with the **Environment Protection Act**

Support the delivery of Open Spaces and Play Provision Strategy

Continue to monitor air pollution across the District, and particularly within the **Air Quality Management Area**, working collaboratively with **partners** to **reduce the impact of air pollution on the health and well-being of our community**

Achieve Green Flag (a national standard) **status for Hinchingsbrooke Country Park, Paxton Pits and Riverside St Neots** by 2020

Support and develop play facilities alongside Town and Parish Councils

Aim to reduce the energy usage in One Leisure by 20% (of the 2015/16 baseline figure)

Work in partnership to provide greater leisure opportunities either by **delivering/facilitating services** or **providing a service/facility**

Performance Indicators

We will measure our success in the following ways:

The **percentage of sampled areas** are **clean or predominantly clean** of **litter, detritus, graffiti, flyposting, or weed accumulations**

The **percentage of street cleansing and grounds maintenance service requests** will be **resolved in five working days**

The **percentage of successful enforcements – dog fouling, litter**

The **percentage of household waste** will be **sent to landfill**

The **percentage of food premises** scoring **3 or above** on the **Food Hygiene Rating Scheme**

The **number of complaints about food premises** (per 100 food businesses)

The **percentage of grounds maintenance works inspected** will **pass** the Council's **agreed service specification**

The **number of missed bins** per 1,000 households

The **number of partners, providers and stakeholders** worked with to **support sustainable service delivery of One Leisure and Active Lifestyles**

Place

Accelerate business growth and investment

Our Work Programme

Supporting new and growing businesses and promoting business success

Supporting the delivery of the Alconbury Enterprise Zone

Supporting economic growth in market towns and rural areas

Promoting inward investment

Supporting economic growth by prioritising planning advice to growing key businesses



Key Actions

Complete a sector analysis and industrial clusters research to help inform a review of the priorities in the Economic Growth Plan

Deliver Action Plan to implement Off Street Car Parking Strategy

Performance Indicators

We will measure our success in the following ways:

Net business-use floor space created

Support development of infrastructure to enable growth

Our Work Programme



Facilitating the delivery of infrastructure to support housing growth

Influencing the development of the Highways and Transport Infrastructure Strategy

Key Actions

Continue to work with partners and influence the Combined Authority to secure resources to facilitate delivery of new housing, drive economic growth and to provide any critical infrastructure

Support the Combined Authority's preparation and delivery of Masterplans for the Market Towns

Continue to provide active input into the delivery stage of the A14 and to lobby for dualling of the A428, the route of the East-West Rail and the local road network to deliver the specific requirements of the Council

Make decisions on spend of Community Infrastructure Levy on at least an annual basis

Work with partners to deliver roll-out of high-speed broadband and mobile phone coverage across the District.

Performance Indicators

We will measure our success in the following ways:

Community Infrastructure Levy collected (£m)

Place

Improve the supply of new and affordable housing, jobs and community facilities to meet current and future need

Our Work Programme



Ensuring an adequate supply of housing to meet objectively assessed needs



Planning and delivering the provision of decent market and affordable housing for current and future needs

Ensuring there are the right community and leisure facilities to support new housing developments



Key Actions

Prepare for examination of the Local Plan to 2036 by the Secretary of State

Prepare a programme of the next review of the Local Plan

Facilitate delivery of new housing and appropriate infrastructure on the large strategic sites at St Neots and Alconbury Weald

Maintain a five year housing land supply

Housing Strategy annual Action Plan 2018/2019 adopted and implemented

Performance Indicators

We will measure our success in the following ways:

The percentage of planning applications processed on target – major
(within 13 weeks or agreed extended period)

The percentage of planning applications processed on target – minor
(within eight weeks or agreed extended period)

The percentage of planning applications processed on target – households extensions
(within eight weeks or agreed extended period)

Number of new affordable homes delivered

Net additional homes delivered 2017/2018

(this result is provided annually by Cambridgeshire County Council and is reported in arrears)

Becoming a more Efficient and Effective Council

Become more efficient and effective in the way we deliver services

Our Work Programme



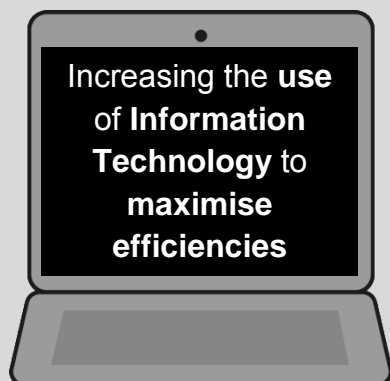
Implementing our Transformation Programme



Where possible, migrating customers to online services as the service of choice



Maximising income opportunities, where appropriate



Increasing the use of Information Technology to maximise efficiencies



Identifying new opportunities for income generation

Having an engaged and motivated workforce

Ensuring our Medium Term Financial Strategy is focused on strategic priorities



Continuing to reshape the way the Council works to realise our savings target and improve performance



Supporting a Council apprenticeship programme and education engagement



Key Actions

Deliver the HDC Transformation Programme; focussing on LEAN reviews and maximising the impact of flexible and mobile working

Maximise the income generating potential of all traded activities

Deliver current apprenticeships programme and develop a revised programme for cohort 2 to reflect HDC and its community needs

Undertake an employee survey, sharing the results and producing an action plan to present to staff and Members

Actively manage Council owned non-operational assets, and where possible, to ensure such assets are generating a market return for the Council

Performance Indicators

We will measure our success in the following ways:

The total amount of energy used in Council buildings

The percentage of business rates collected in year

The percentage of Council Tax collected in year

The percentage of space let on estates portfolio

The percentage of invoices from suppliers paid within 30 days

Staff sickness days lost per full time employee

£'s generated in Commercial Estate Rental & Property Fund Income

Planned net budget reductions achieved

The PIs below are part of a basket of employment measures changing every quarter

The percentage of Staff Appraisals completed (Quarter 1)

The percentage response rate to the Staff Survey (Quarter 2)

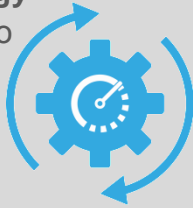
The percentage of staff survey results improved (Quarter 3)

The number of Staff Council (employee group) representatives (Quarter 4)

Becoming a more Customer Focused Organisation

Our Work Programme

Ensuring technology is used **effectively** to **maximise** our **interaction** with **customers**



Involving customers in **significant changes** to **services**



Gaining a better understanding of our **customer needs** and **ensuring** all **customer engagement** is **meaningful**

Key Actions

Deliver the HDC Transformation Programme; focussing on tackling 'wicked issues', improving online services and delivering the multi-agency Customer Service Centre at Pathfinder House

Launch the new organisational values in 2018/19 and ensure they become embedded into 'business as usual' for staff

Performance Indicators

We will measure our success in the following ways:

The **Call Centre telephone satisfaction rate**

The **Customer Service Centre satisfaction rate**

The **percentage of Stage 1 complaints resolved within time**

The **percentage of Stage 2 complaints resolved within time**

The **percentage of calls to Call Centre answered**

Reducing avoidable contacts

Generating customer accounts

Picture/Closing Statement

Corporate Plan 2018/2022 - Table of Performance Indicator Targets 2018/2019

People

We want to make Huntingdonshire a better place to live, to improve health and well-being and support people to be the best they can be

1a) Support people to improve their health and well-being.	
Name Of Indicator	Target 2018/2019
PI 1. Average length of stay of all households placed in B&B accommodation. (Customer Services)	Less than 6 weeks
PI 2. Average time between dates of referral of Disabled Facilities Grants (DFGs) to practical completion for minor jobs up to £10,000. (Development)	30 weeks
PI 3. Number of days of volunteering to support HDC service delivery (e.g. Countryside and Leisure and Health). (Resources, Operations and Leisure and Health)	1660
PI 4. Average number of days to process new claims for Housing Benefit and Council Tax Support. (Customer Services)	24
PI 5. Average number of days to process changes of circumstances for Housing Benefit and Council Tax Support. (Customer Services)	5
PI 6. The number of actions delivered from the Sport and Leisure Facilities Strategy. (Leisure and Health)	No Target Set*
PI 7. The amount of developer contributions secured to improve the Leisure and Health facility infrastructure across the district (£'s) (Leisure and Health)	No Target Set*
PI 8. The number of Leisure and Health facilities improved because of developer contributions. (Leisure and Health)	No Target Set*
PI 9a. Participation at targeted services for adults. (Leisure and Health)	No Target Set*
PI 9b. Participation at targeted services for older people. (Leisure and Health)	16,300
PI 9c. Participation at targeted services for long-term health conditions (including exercise referrals). (Leisure and Health)	17,400
PI 9d. Participation at targeted services for disability/equality. (Leisure and Health)	3,500
PI 9e. Participation at targeted services for young people (Leisure and Health)	2,500

* No target set, this year is for data collection. 2019/2020 will have targets set based on 2018/2019 performance

1b) Develop a flexible and skilled local workforce.	
Name Of Indicator	Target 2018/2019
PI 10. Number of people attending EDGE 'sharper skills for enterprise' events (throughput over previous 12 months). (Development)	1056
PI 11. Number of EDGE customers supported into work. (Development)	96

1c) Develop stronger and more resilient communities to enable people to help themselves.	
Name Of Indicator	Target 2018/2019
PI 12. Percentage of Neighbourhood Plans 'made' by Council within 8 weeks of a referendum vote in favour of the Plan. (Development)	100% of plans 'made' within 8 weeks

Place

We want to make Huntingdonshire a better place to work and invest and we want to deliver new and appropriate housing

2a) Create, protect and enhance our safe and clean built and green environment.	
Name Of Indicator	Target 2018/2019
PI 13. Percentage of sampled areas that are clean or predominantly clean of litter, detritus, graffiti, flyposting, or weed accumulations. (Operations)	80%
PI 14a. Percentage of street cleansing service requests will be resolved in five working days. (Operations)	85%
PI 14b. Percentage of grounds maintenance service requests will be resolved in five working days. (Operations)	85%
PI 15. Percentage of successful enforcements – dog fouling, litter. (Community)	100%
PI 16. Percentage of household waste will be sent to landfill. (Operations)	43%
PI 17. Percentage of food premises scoring 3 or above on the Food Hygiene Rating Scheme. (Community)	95%

2a) Create, protect and enhance our safe and clean built and green environment (Continued)	
Name Of Indicator	Target 2018/2019
PI 18. Number of complaints about food premises (per 100 food businesses). (Community)	5
PI 19. Percentage of grounds maintenance works inspected will pass the Council's agreed service specification. (Operations)	82%
PI 20. Number of missed bins per 1,000 households. (Operations)	0.75
PI 21 Number of partners, providers and stakeholders worked with to support sustainable service delivery of One Leisure and Active Lifestyles. (Leisure and Health)	No Target Set *

* No target set, this year is for data collection. 2019/2020 will have targets set based on 2018/2019 performance

2b) Accelerate business growth and investment.	
Name Of Indicator	Target 2018/2019
PI 22. Net business-use floor space created. (Development)	Target not applicable*

* This measure is reported annually in arrears.

2c) Support development of infrastructure to enable growth	
Name Of Indicator	Target 2018/2019
PI 23. Community Infrastructure Levy collected (£m) (Development)	Commentary will be provided on activity

2d) Improve the supply of new and affordable housing, jobs and community facilities to meet current and future need.	
Name Of Indicator	Target 2018/2019
PI 24a. Percentage of planning applications processed on target – major (within 13 weeks or agreed extended period). (Development)	70%
PI 24b. Percentage of planning applications processed on target – minor (within eight weeks or agreed extended period). (Development)	70%
PI 24c. Percentage of planning applications processed on target – households extensions (within eight weeks or agreed extended period). (Development)	85%

2d) Improve the supply of new and affordable housing, jobs and community facilities to meet current and future need (Continued)	
Name Of Indicator	Target 2018/2019
PI 25. Number of new affordable homes delivered (Development)	239
PI 26. Net additional homes delivered (Development)	682 (2017/2018) *

* The PI 26 result is provided annually by Cambridgeshire County Council and is reported in arrears

Becoming a more Efficient and Effective Council

We want to continue to deliver value for money services

3a) Become more efficient and effective in the way we deliver services.	
Name Of Indicator	Target 2018/2019
PI 27. Total amount of energy used in Council buildings. (Operations)	3.5% reduction
PI 28. Percentage of business rates collected in year. (Customer Services)	99%
PI 29. Percentage of Council Tax collected in year. (Customer Services)	98.6%
PI 30. Percentage of space let on estates portfolio. (Resources)	95%
PI 31. Percentage of invoices from suppliers paid within 30 days. (Resources)	98%
PI 32. Staff sickness days lost per full time employee.(Corporate Team and Resources)	9
PI 33. £'s generated in Commercial Estate Rental & Property Fund Income. (Resources)	£3.3m
PI 34. Planned net budget reductions achieved. (Resources)	£1.8m
The PIs below are part of a basket of employment measures changing every quarter	
PI 35a. Percentage of Staff Appraisals completed (Quarter 1). (Resources)	95%
PI 35b. Response rate to the Staff Survey (Quarter 2). (Corporate Team)	60%
PI 35c. Percentage of staff survey results improved (Quarter 3). (Corporate Team)	50%
PI 35d. Number of Staff Council (employee group) representatives (Quarter 4). (Corporate Team)	10

3b) Become a more customer focused organisation	
Name Of Indicator	Target 2018/2019
PI 36. Call Centre telephone satisfaction rate. (Customer Services)	80%
PI 37. Customer Service Centre satisfaction rate. (Customer Services)	80%
PI 38a. Percentage of Stage 1 complaints resolved within time. (Corporate Team)	95%
PI 38b. Percentage of Stage 2 complaints resolved within time. (Corporate Team)	95%
PI 39. Percentage of calls to Call Centre answered. (Customer Services)	90%
PI 40. Reducing avoidable contacts (Customer Services)	25% reduction
PI 41. Generating customer accounts (Customer Services)	8% of households

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**Public
Key Decision - No**

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Integrated Performance Report, 2018/19 Quarter 1

Meeting/Date: Cabinet, 20 September 2018

Executive Portfolio: Councillor Jonathan Gray, Executive Councillor for Resources
Councillor Darren Tysoe, Executive Councillor for Digital and Customer

Report by: Corporate Team Manager and Finance Manager

Ward(s) affected: All

Executive Summary:

The purpose of this report is to brief Members on progress against draft Key Actions and Corporate Indicators listed in the Council's Corporate Plan 2018/22 for the period 1 April to 30 June 2018 and on current projects being undertaken. Scheduled performance clinics focus on delivering continuous improvements in all services.

Any changes to Key Actions, Corporate Indicators or targets included in the final version of the Corporate Plan 2018/22 due to be taken to Council for approval in October will be incorporated into future quarterly Integrated Performance Reports.

The report also incorporates Financial Performance Monitoring Suite information setting out the financial position at 30 June 2018. It provides outturn figures for revenue and the capital programme. Headlines are:

Revenue – the forecast outturn shows an overspend of £0.6m.

Capital programme – the forecast outturn shows an overspend of £0.6m.

An update on the Commercial Investment Strategy includes details of investments to date and the level of returns these are expected to generate, with information on potential investment opportunities reviewed in Quarter 1 attached at Appendix E.

Recommendations:

The Cabinet is invited to consider and comment on progress made against draft Key Actions and Corporate Indicators in the Corporate Plan and current projects, as summarised in Appendix A and detailed in Appendices B and C.

The Cabinet is also invited to consider and comment on financial performance at the end of June, as detailed in Appendices D, and the register of reviews of Commercial Investment Strategy propositions at Appendix E.

1. PURPOSE

- 1.1 The purpose of this report is to present details of delivery of the Corporate Plan 2018/22, and project delivery, in the context of the Council's financial performance.

2. BACKGROUND

- 2.1 The Council's Corporate Plan is currently being refreshed and once adopted will set out what the Council aims to achieve in addition to its core statutory services. The information in the summary at **Appendix A** relates to draft Key Actions and Corporate Indicators and the performance report at **Appendix B** details those with a 'Red' status at the end of June.
- 2.2 As recommended by the Project Management Select Committee, updates for projects with a 'Red' status based on latest approved end dates are included at **Appendix C**. Across all programmes there are currently 25 projects which are open, pending approval or pending closure, and one project logged which has recently closed.
- 2.3 This report also incorporates financial performance to the end of June. This performance was as shown in sections 4-6 below, with further details listed in **Appendix D**. Commercial investment propositions reviewed are at **Appendix E**.

3. PERFORMANCE MANAGEMENT

- 3.1 Members of the Overview and Scrutiny (Performance and Growth) Panel have an important role in the Council's Performance Management Framework and a process of regular review of performance data has been established. The focus is on the strategic priorities and associated objectives to enable Scrutiny to maintain a strategic overview. Their comments on performance in Quarter 1 will be inserted in section 7 following their meeting on 4 September.
- 3.2 Progress against Corporate Plan objectives is reported quarterly. The report at **Appendix B** includes details of all Key Actions and Corporate Indicators which had a 'Red' status at the end of Quarter 1. **Appendix C** provides information about projects with a 'Red' status, including the purpose of the project and comments from the Programme Office as to the current status of each project's SharePoint site as part of the new governance arrangements.
- 3.3 Performance Indicator data has been collected in accordance with standardised procedures. Targets for Corporate Indicators and target dates for Key Actions have been set by the relevant Head of Service after discussion with the appropriate Portfolio Holder.
- 3.4 The following table summarises Quarter 1 progress in delivering Key Actions for 2018/19:

Status of Key Actions	Number	Percentage
Green (on track)	35	90%
Amber (within acceptable variance)	3	8%
Red (behind schedule)	1	3%
Awaiting progress update	0	0%
Not applicable	3	

Most Key Actions were on track at the end of Quarter 1, with one significantly behind schedule:

1. Of 575 street cleansing inspections carried out in Quarter 1, 389 were recorded as in specification – a 67.65% pass rate. The key reason for failure is the standard of highway weed treatment and clearance undertaken on behalf of the County Council, due to insufficient budget to deliver the standards required. Benchmarking has identified that our inspection standard is higher than other authorities so inspection training is being carried out with the deployment of a software solution for inspections.

3.5 Quarter 1 results for 2018/19 Corporate Indicators are shown in the following table:

Corporate Indicator results	Number	Percentage
Green (achieved)	22	63%
Amber (within acceptable variance)	4	11%
Red (below acceptable variance)	9	26%
Awaiting progress update	0	0%
Not applicable (annual/data unavailable)	5	

Nine indicators missed targets by more than acceptable variance, with some linked together. Details of these Red indicators are shown below. Performance clinics are being held monthly to focus on delivering continuous improvements in all services.

1. The average length of stay for the 32 households leaving bed and breakfast accommodation was 7.2 weeks (against a target of less than 6 weeks). Our performance in this area is affected by our ability to move households into alternative forms of temporary accommodation and ultimately into a more settled home – directly influenced by the number of social rented properties becoming available (relets of existing properties and the delivery new build rented properties). Alternative sources of temporary accommodation continue to be brought on-line, with two suppliers now offering nightly paid self-contained accommodation as an alternative to B&B. The main objective remains to prevent homelessness in the first place thereby avoiding the need to place households into temporary accommodation.
2. The underachievement is linked to the forecast overspend on the Revenue budget, which is predominantly due to variance within Operations. More details are available in section 4.
3. 16 EDGE customers were supported into work against a target of 23. However, follow up work to ascertain whether clients have secured jobs sometimes has to wait if footfall in the EDGE shop is busy. This means the data is sometimes lagging behind reality. For example, in the week following this period (excluded) an additional 4 clients into work were recorded which would have brought this measure much closer to target. Annual outturn is still anticipated to hit target.
4. As stated in 3.4, the street cleansing inspection pass rate is below target. A second weed treatment is taking place and our street cleansing inspection standard is being reviewed.
5. The grounds maintenance inspection pass rate was also below target, due to grass cutting. 70% of fails are due to grass being out of specification. The extreme wet weather (April / May) resulted in uncharacteristically large quantities of arisings when the grass was able to be cut. However, customer requests are down 38% year on year indicating that we are meeting customer expectations. As with street cleansing, inspection training is being carried out with the implementation of inspection software.
6. Six Stage 1 complaints were responded to late in Quarter 1. With a further 27 complaints not being tracked to allow confirmation of whether they were dealt with in time or not, concerns about complaints management across the Council still need to be addressed.
7. A single late Stage 2 complaint means the target for Quarter 1 was missed and makes it likely that this indicator will remain Red throughout 2018/19. The target is being reviewed but the late response reflects issues with how services are dealing with formal complaints.
8. The target to answer 90% of calls to the Call Centre was missed in Quarter 1, with Customer Services experiencing a high turnover of staff during this period. When experienced staff leave, it takes 6-9 months of training for their replacements to become fully skilled and we use agency staff and temporary staff to provide cover.

9. There has been progress in reducing avoidable contact from customers but the 25% reduction target was missed. This work is undertaken jointly with other services as well as through Lean work aimed at reducing waste and increasing efficiency. The introduction of the new online customer accounts platform is expected to drive further reductions.

3.6 The status of corporate projects at the end of June is shown in the following table:

Corporate project status	Number	Percentage
Green (progress on track)	8	44%
Amber (progress behind schedule, project may be recoverable)	3	17%
Red (significantly behind schedule, serious risks/issues)	7	39%
Pending closure	7	
Closed (completed)	1	

Business cases for a further three projects have not yet been approved but are due to be merged into one single CCTV project with a project approval request to be submitted for this.

Of the projects currently in the delivery stage, seven were Red at the end of Quarter 1 and five of those were joint partnership or shared service projects. The Project Management Governance Board has held one-to-one meetings with project managers and has identified that unrealistic timeframes have been a common theme for amber/red flags, as well as a lack of up to date governance documentation. Lessons learned are captured through closedown reports and have recently been shared with all project managers. Details of all Red projects can be found in **Appendix C**.

4. FINANCIAL PERFORMANCE

4.1 Financial Performance Headlines

The Management Accounts include the forecast outturn position for the current financial year and the impact of variations will be incorporated within the MTFS. Revenue statements show gross expenditure by service and where some costs are funded by reserves this is shown to provide the net position.

Revenue The approved Budget is £17.3m with the forecast outturn being £17.9m which is an overspend of £0.6m. The main reasons are shown on the next page. Action is still needed to be taken to address this level of the forecast overspend.

MTFS The MTFS was updated as part of the 2018/19 Budget setting process and will again be updated as part of the 2019/20 Budget setting process which is now under way. The revision of the MTFS will include 2017/18 outturn variations and others occurring or foreseen in 2018/19 that have an impact on future years.

Capital The approved Budget is £5.6m plus the re-phasing of £5.1m giving a revised total Capital Programme of £10.7m (£8.4m net, after taking account specific grants and contributions). The net forecast outturn is £11.3m giving an overspend of £0.6m. The reasons for these variances are detailed in paragraph 5.6.

The Financial Dashboard at **Appendix D, Annex E** presents information on take-up of Council Tax Support, NDR and Council Tax collection, miscellaneous debt and New Homes Bonus funding.

4.2 Summary Revenue Forecast Variances by Service

The table below shows the total variances for each Service and the main reasons where variances are greater than £50,000.

	Budget £000	Forecast outturn gross £000	Transfers to / (from) reserves £000	Forecast outturn net £000	Forecast (underspend) / overspend £000	Main reasons for variance
Community	1,779	1,815	7	1,822	43	<ul style="list-style-type: none"> CCTV additional camera maintenance Document Centre external income lower than budgeted
Customer Services	2,533	2,366	97	2,463	(70)	<ul style="list-style-type: none"> Additional grant allocations
ICT	2,107	2,107	0	2,107	0	
Development	1,071	992	2	994	(77)	<ul style="list-style-type: none"> Staff savings
Leisure and Health	(190)	92	(134)	(42)	148	<ul style="list-style-type: none"> One Leisure income is generally lower than the budget (mainly Burgess Hall) Expenditure savings are being made where possible to offset the lower income
Operations	3,906	4,679	(98)	4,581	675	<ul style="list-style-type: none"> Waste Management fuel, staff and recycling expenditure increasing Delays to staff restructure is impacting on the budget savings Pathfinder House rental income is down – no tenant for 3rd floor
Resources	4,434	4,491	(69)	4,422	(12)	<ul style="list-style-type: none"> Expenditure increasing on insurance premiums, FMS implementation and commercial estates management Savings arising on HR and apprentice staff costs
Directors and Corporate	1,642	1,576	0	1,576	(66)	<ul style="list-style-type: none"> Staff savings
Transformation	0	373	(373)	0	0	
Total	17,282	18,491	(568)	17,923	641	

- 4.3 Further analysis of the revenue variance and service commentary are at **Appendix D**. This provides the variances by service and where variances are greater than +/- £10,000 comments have been provided by the budget managers/Head of Service. Where there are adverse variances the budget managers have provided details of the actions they are undertaking to address the overspend.

4.4 **Medium Term Financial Strategy**

The actual outturn for 2017/18 (post audit) showed an overspend of £0.5m which will have some impact on the MTFS. The new MTFS for the period 2019/20 to 2022/23 which will be compiled during the current budget setting process will be updated where the 2017/18 outturn has an impact.

5. **CAPITAL PROGRAMME**

- 5.1 The approved gross Capital Programme 2018/19 is £5.6m plus the re-phasing of £5.1m giving a revised total Capital Programme for 2018/19 of £10.7m.
- 5.2 The forecast gross expenditure outturn is £11.3m, an overspend of £0.6m. The gross expenditure to 30 June 2018 was £2.025m (19% of Budget, 25% of the year).

Variation Commentary Summary		£000s
	Overspend	
	Development – DFGs The overspend is based on the current level of demand from clients. It is possible that increased contributions from clients will reduce this overspend, but this not yet certain	320
	New FMS Due to the extended implementation period expenditure has increased by £50,000. This will be funded from the earmarked reserve set up for the purpose	0
	Bridge Place Car Park The current capital allocation was based on the estimates generated in April 2015 and did not account for the revised bridge access required for planning and the more specific design following due diligence	196
	CIL Payment Huntingdon West A Payment of £533,000 has been made for the contribution to Huntingdon West Link Road. This is being funded from the CIL reserve	0
		584
	Growth	
	Re-Fit Projects Additional expenditure was approved by the Senior Leadership Team on 5 th June 2018, to finance works at One Leisure St. Neots. The project was signed off on 7 th June 2018	16
		16
	Underspend	
	Health and Safety Works – Commercial Properties It is anticipated that some works will be rechargeable to tenants which would reduce the cost to the Council	(20)
	CCTV Schemes The contracts have been awarded at a lower cost than estimated	(6)
		(26)
	Total	574

- 5.3 The net spend on the Council's Capital Programme is financed via borrowing which has a revenue implication through the Minimum Revenue Provision (MRP).

5.4 Appendix D, Annexes C and D provide the following information:

Annex C provides details by scheme with proposed rephasing, expenditure to date and forecast outturn.

Annex D details the financing of the Capital Programme showing the funding from grants and contributions, capital receipts, use of earmarked and capital reserves and internal borrowing

6. UPDATE ON THE COMMERCIAL INVESTMENT STRATEGY

6.1 The Commercial Investment Strategy (CIS) was approved by Cabinet in September 2015 and the CIS Business Plan in December 2015. The implementation of the CIS is seen as a key means by which the Council can generate income to assist it in meeting the forecast gap in the revenue budget, by 2021/22 it will have in part contributed in reducing this to £1.6m.

6.2 At the end of Quarter 1, the financial projections for the CIS are:

CIS Investments	Budget (£'000)	Outturn (£'000)	Variance (£'000)
Cash Investments			
CCLA Property Fund	(162)	(166)	(4)
Total Cash Investments	(162)	(166)	(4)
Property Investments			
Property Rental Income	(5,235)	(3,465)	1,770
MRP	1,896	139	(1,757)
Net Direct Property Income	(3,339)	(3,326)	13
Management Charge	144	0	(144)
Total Property Investments	(3,195)	(3,326)	(131)
TOTAL	(3,357)	(3,492)	(135)

6.3 Investments

Between April and the end of June 2018, 16 properties have been investigated as potential CIS investment opportunities. We have bid £7.7m, and being accepted with cabinet approval, on a leisure property in St Neots, however due diligence has been significant due to a number of issues identified and raised over the last three months. We have resolved many of these and are dealing with the final handful of critical matters relating to construction and warranties. Further local opportunities in retail and distribution are still being monitored and awaiting leases to be completed before being offered for sale and we are in an early bidder position for these. Very recently an industrial estate in Huntingdon has become available and we are undertaking early investigations for this. A summary of opportunities is included in **Appendix E**.

Returns from the CCLA property fund have remained at the 2016/17 level (circa 4.5%). Other investment vehicles such as bank deposits and money market funds interest rates have increased since the Bank of England raised the base rate to 0.5%.

To date the majority of the Council's investments have been funded from earmarked reserves or cash balances with a £5m loan from PWLB secured for the acquisition at Fareham, the balance of the purchase price and acquisition costs was met from earmarked reserves.

7. COMMENTS OF OVERVIEW & SCRUTINY PANELS

- 7.1 Members commented that they had concerns with the overspend in Operations and One Leisure however, it was explained that the relevant Portfolio Holders and Heads of Service would be in a better position to answer those concerns.
- 7.2 The Commercial Investment Strategy (CIS) was raised, by the Panel, as an area which could be susceptible to a decrease in income however, it was explained that the majority of units owned by the Council through the CIS are small to mid-ranged units on trading estates and retail parks and are more resilient than those units located on the High Street.
- 7.3 The Panel raised the issue of recycling contamination and urged that more is done on educating residents on what materials can go into the recycling bin.

8. RECOMMENDATIONS

- 8.1 The Panel is invited to consider and comment on progress made against Key Activities and Corporate Indicators in the Corporate Plan and current projects, as summarised in **Appendix A** and detailed in **Appendices B and C**.
- 8.2 The Panel is also invited to consider and comment on financial performance at the end of June, as detailed in section 4 and in **Appendix D**, and the register of reviews of Commercial Investment Strategy propositions at **Appendix E**.

9. LIST OF APPENDICES INCLUDED

Appendix A – Performance Summary, Quarter 1, 2018/19

Appendix B – Corporate Plan Performance Report ('Red' status), Quarter 1, 2018/19

Appendix C – Project Performance ('Red' status), June 2018

Appendix D – Financial Performance Monitoring Suite (FPMS) including:

Annex A – Revenue Provisional Outturn and Service Commentary June 2018

Annex B – Capital Programme Provisional Outturn, June 2018

Annex C – Capital Programme Funding 2018/19

Annex D – Financial Dashboard, June 2018

Appendix E – Register of reviews of CIS investment propositions, Quarter 1, 2018/19

CONTACT OFFICERS

Corporate Plan Performance Monitoring (Appendices A and B)

Daniel Buckridge, Policy, Performance & Transformation Manager (Scrutiny) ☎ (01480) 388065

Project Performance (Appendix C)

Adrian Dobbyne, Corporate Team Manager ☎ (01480) 388100

Financial Performance (Appendices D and E)

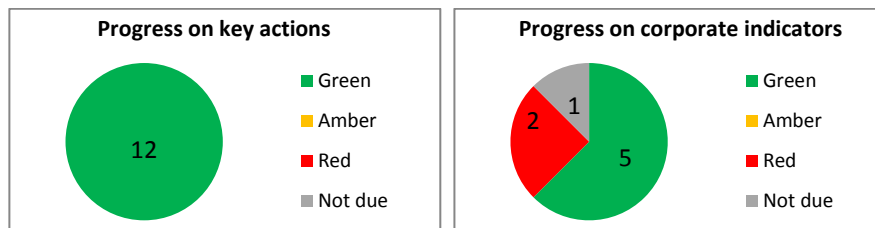
Paul Loveday, Interim Finance Manager ☎ (01480) 388605

Appendix A

Performance Summary Quarter 1, 2018/19

People

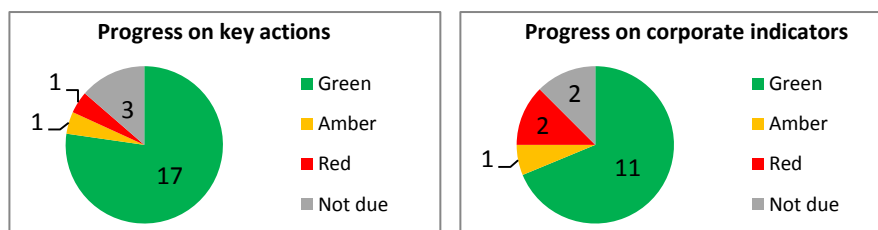
We want to make Huntingdonshire a better place to live, to improve health and well-being and for communities to get involved with local decision making



Highlights include the launch of a new Park Run in St Neots and a significant improvement in the average time taken from referral to practical completion of minor (up to £10,000) Disabled Facilities Grants jobs.

Place

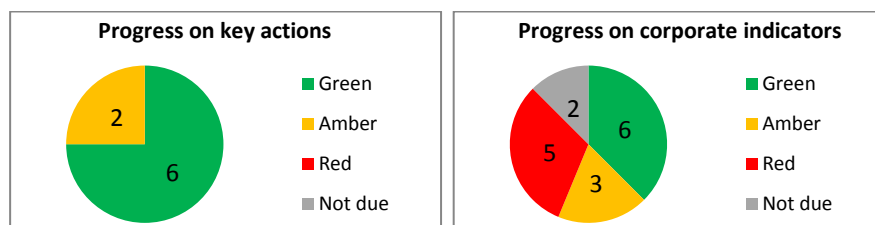
We want to make Huntingdonshire a better place to work and invest and we want to deliver new and appropriate housing



Highlights include the Cambridgeshire and Peterborough Combined Authority approving a £4.1m package of funding to deliver the first phase of the St Neots Masterplan and a reduction in household waste sent to landfill.

Becoming a more efficient and effective council

We want to continue to deliver value for money services



Highlights include a reduction in the amount of energy being used in Council buildings and an improved Call Centre customer satisfaction rate.

CORPORATE PLAN – PERFORMANCE REPORT

Appendix B

STRATEGIC THEME – PEOPLE

Period April to June 2018

Summary of progress for Key Actions

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

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

Summary of progress for Corporate Indicators

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
5		0		2		0		1	

Performance Indicator	Full Year 2017/18 Performance	Q1 2017/18 Performance	Q1 2018/19 Target	Q1 2018/19 Performance	Q1 2018/19 Status	Annual 2018/19 Target	Forecast Outturn 2018/19 Performance	Predicted Outturn 2018/19 Status
PI 1. Average length of stay of all households placed in B&B accommodation	7 weeks	5.9 weeks	Less than 6 weeks	7.2 weeks	R	Less than 6 weeks	7 weeks	R
Aim to minimise								
Comments: (Customer Services) The average length of stay for the 32 households leaving B&B in Q1 was 7.2 weeks.								
Our performance in this area is affected by our ability to move households into alternative forms of temporary accommodation and ultimately into a more settled home – directly influenced by the number of social rented properties becoming available (relets of existing properties and the delivery new build rented properties).								
Alternative sources of temporary accommodation continue to be brought on-line, with two suppliers now offering nightly paid self-contained accommodation as an alternative to B&B. There are c.40 units of this type in use as well as c.20 households placed in B&B. It provides a better quality and more cost effective option than B&B but the main objective remains to prevent homelessness in the first place thereby avoiding the need to place households into temporary accommodation.								

Performance Indicator	Full Year 2017/18 Performance	Q1 2017/18 Performance	Q1 2018/19 Target	Q1 2018/19 Performance	Q1 2018/19 Status	Annual 2018/19 Target	Forecast Outturn 2018/19 Performance	Predicted Outturn 2018/19 Status
PI 7. Number of EDGE customers supported into work Aim to maximise	n/a – new measure	n/a – new measure	23	16	R	92	92+	G
Comments: (Development) Follow up with clients to ascertain whether they have secured work sometimes has to wait if footfall in the shop is busy. This means that the data is sometimes lagging behind reality. For example, in the week following this period (excluded) an additional 4 into work were recorded which would have brought this measure much closer to target. Annual outturn is still anticipated to hit target.								

STRATEGIC THEME – PLACE

Period April to June 2018

Summary of progress for Key Actions

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
17		1		1		0		3	

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

Summary of progress for Corporate Indicators

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
11		1		2		0		2	

WE WANT TO: Create, protect and enhance our safe and clean built and green environment

Status	Key Actions for 2018/19	Target date	Portfolio Holder	Head of Service	Progress Update to be reported each Quarter
R	KA 17. Maintain clean open spaces to DEFRA Code of Practise on Litter and Refuse, compliant with the Environment Protection Act	Ongoing	Cllr Beuttell	Neil Sloper	In Q1 575 street cleansing inspections were carried out, with 389 recorded as in specification. This gives a 67.65% pass rate. APSE Inspection training is being carried out in June 18 which will allow validation for us to realign our inspection regime with customer expectations. Current trends would indicate that our inspection standard is far higher than customer expectation.

Corporate Performance and Contextual Indicators

Performance Indicator	Full Year 2017/18 Performance	Q1 2017/18 Performance	Q1 2018/19 Target	Q1 2018/19 Performance	Q1 2018/19 Status	Annual 2018/19 Target	Forecast Outturn 2018/19 Performance	Predicted Outturn 2018/19 Status
PI 9. 80% of sampled areas are clean or predominantly clean of litter, detritus, graffiti, flyposting, or weed accumulations	74%	68.48%	80%	67.65%	R	80%		R

Performance Indicator	Full Year 2017/18 Performance	Q1 2017/18 Performance	Q1 2018/19 Target	Q1 2018/19 Performance	Q1 2018/19 Status	Annual 2018/19 Target	Forecast Outturn 2018/19 Performance	Predicted Outturn 2018/19 Status
Aim to maximise								
Comments: (Operations) Second weed treatment is now underway. APSE Inspection training is being carried out in June 18 which will allow validation for us to realign our inspection regime with customer expectations. Current trends would indicate that our inspection standard is far higher than customer expectation. Weed control and clearance undertaken for the County Council, budget assigned by County is insufficient to achieve assessed standards.								
PI 15. 82% of grounds maintenance works inspected will pass the Council's agreed service specification	81.7%	71.22%	82%	70.1%	R	82%	70%	R
Aim to maximise								
Comments: (Operations) Weather and staff shortages impacting upon performance. 70% of fails are due to grass being out of specification, unseasonal levels of arisings following heavy rainfall/flooding and then cuts. CRM Customer requests are down 38% year on year indicating that we are meeting customer expectations. APSE Inspection training is being carried out in June 18 which will allow validation for us to realign our inspection regime with customer expectations. Current trends would indicate that our inspection standard is far higher than customer expectation.								

STRATEGIC THEME – BECOMING A MORE EFFICIENT AND EFFECTIVE COUNCIL

Period April to June 2018

Summary of progress for Key Actions

G	Progress is on track	A	Progress is within acceptable variance	R	Progress is behind schedule	?	Awaiting progress update	n/a	Not applicable to state progress
6		2		0		0		0	

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

Summary of progress for Corporate Indicators

G	Performance is on track	A	Performance is within acceptable variance	R	Performance is below acceptable variance	?	Awaiting performance update	n/a	Not applicable to assess performance
6		3		5		0		2	

Corporate Performance and Contextual Indicators

Performance Indicator	Full Year 2017/18 Performance	Q1 2017/18 Performance	Q1 2018/19 Target	Q1 2018/19 Performance	Q1 2018/19 Status	Annual 2018/19 Target	Forecast Outturn 2018/19 Performance	Predicted Outturn 2018/19 Status
PI 29. £1.5m planned net budget reductions achieved Aim to maximise	£1.1m	N/a	£0.45m	£0.29m	R	£1.8m	£1.2m	R
Comments: (Resources) The underachievement is linked to the forecast overspend on the Revenue budget, which is predominantly due to variance within Operations.								
PI 33a. 95% of Stage 1 complaints resolved within time Aim to maximise	n/a (Red)	26%	95%	89.7%	R	95%	90%	R
Comments: (Corporate Team) Of the 58 complaints we know the outcomes of, only 52 were responded to within the time limit. There are still issues being encountered in collecting reliable data on the number of Stage One complaints received and our responses to them with at least 27 more complaints received but not tracked. This has been an issue for over a year now and needs to be resolved. Poor performance on responding to complaints also needs to be addressed in some service areas.								
PI 33b. 95% of Stage 2 complaints resolved within time	78%	73%	95%	80%	R	95%	90%	R

Performance Indicator	Full Year 2017/18 Performance	Q1 2017/18 Performance	Q1 2018/19 Target	Q1 2018/19 Performance	Q1 2018/19 Status	Annual 2018/19 Target	Forecast Outturn 2018/19 Performance	Predicted Outturn 2018/19 Status
Aim to maximise								
Comments: (Corporate Team) Of five Stage Two complaints due to be completed, four were responded to on time. Given the low volume, the single complaint dealt with late will cause the indicator to remain Red all year even if all further complaints are responded to on time. The target is being discussed with the Portfolio Holder.								
PI 34. 90% of calls to Call Centre answered	79%	65%	90%	82.6%	R	90%	85%	R
Aim to maximise								
Comments: (Customer Services) Customer services is experiencing a high turnover of staff during this period. Whenever staff leave, there is 6-9 months of training to fully skill a new staff member. We also have to use agency staff and temporary staff.								
PI 35. Reduce avoidable contacts by 25%	N/A	N/A	-25%	-17.7%	R	-25%	-25%	G
Aim to maximise								
Comments: (Customer Services) We already do work on reducing avoidable contact with the departments we provide services for as well as through Lean work. We are optimistic that the introduction of the new online customer accounts platform will drive further reductions.								

Appendix C: Project Performance (Red only) – end of June 2018

Red = Project is significantly behind schedule, seriously over budget, serious risks/issues have been identified or there is a lack of governance documentation	Amber = Progress is behind schedule, over budget, some risks/issues have been identified or some documentation is missing. The project may be recoverable	Green = Progress is on track with no impact to delivery	Pending Closure = In close-down stage	Pending Approval = Business Case to be approved	Closed = Project is closed. Closedown report approved by Project Board and Project Management Governance Board
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Projects relating to Huntingdonshire District Council services/facilities only:

Title / Purpose of Project / Programme / Project Manager / Sponsor	Original End Date (as PID)	RAG Status to Original Date	Revised End Date (approved Project Board)	Expected End Date (as Project Status)	Status Update / Programme Office comments	RAG Status	Latest Update Date
Leisure Invest to Save Opportunities Explore further opportunities for invest to save schemes including the conversion of synthetic pitch at St Neots. Programme: Facing the Future Project Manager: Jon Clarke (Leisure) Project Sponsor: Cllr John Palmer	30/09/15	Red Historical delays due to legal issues with the lease.	29/10/18	29/10/18	Emailed Emma Watson (HCB Group) to try and determine the cause of the delay with the Land Registry and to see if any pressure can be brought to bear. No further progress on project possible at this point. Programme Office: Will be contacting Head of Service to discuss delays and issues with this Project.	Red	9-Jul-18
Council Tax Automated Forms Introduce automated forms into business systems. Programme: Facing the Future Project Manager: Ian Davies (Customer Services) Project Sponsor: John Taylor	31/03/17	Red Restructure and lack of resources to test caused delays.	31/07/18	31/07/18	Meeting with the Project Sponsor being arranged to discuss how the Project can move forward at a faster pace.	Red	3-Jul-18

Red = Project is significantly behind schedule, serious risks/issues have been identified or there is a lack of governance documentation	Amber = Progress is behind schedule, some risks/issues have been identified or some documentation is missing. The project may be recoverable	Green = Progress is on track with no impact to delivery	Pending Closure = In close-down stage	Pending Approval = Business Case to be approved	Closed = Project is closed. Closedown report approved by Project Board and Project Management Governance Board.
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3C IT Projects where HDC are customers

Title / Purpose of Project / Programme / Project Manager / Sponsor	Original End Date (as PID)	RAG Status to Original Date	Revised End Date (approved Project Board)	Expected End Date (as Project Status)	Status Update (In Flight) / Programme Office comments	RAG Status	Latest Update Date
Server Room Consolidation Project To consolidate the three council's server rooms which will in turn improve flexibility and growth options, mitigate the current risks of out of support and aging hardware, leverage financial benefits and improve operation services. Programme: 3C Shared Services Project Manager: Martin Steadman (3C ICT) Project Sponsor: Fiona Bryant	12/12/2017	Red	31/04/2018	31/04/2018	Currently looking at the budget. Currently reliant on 3rd parties to deliver who haven't been able to give timescales. 3C ICT: Progress on HDC's side is Green RAG Status; Main project is Red due to project at the other 2 councils.	Red	5-Jul-18
PCIDSS Programme: 3C Shared Services Project Manager: Katrina Huggon (3C ICT) Project Sponsor: Paul Sumpter	TBC	TBC	TBC	TBC	New Project Manager assigned as previous PM left the council. Milestones in red as work is having to be pushed back after the supplier has spoken to the councils.	Red	5-Jul-18
Mobile Phone Contract Procurement The current HDC contract ended in May 2017; CCC and SCDC are both out of contract. Programme: 3C Shared Services Project Manager: Caroline Huggon (3C ICT) Project Sponsor: Emma Alterton	30/09/2017	Red	31/03/2018	31/03/2018	The majority of HDC smartphones have now been rolled out and a rollout plan is being put together for the feature phones. The majority of SCDC smartphones are also rolled out. Phones are currently being rolled out to the test group at CCC before being rolled out to the wider group.	Red	5-Jul-18

Red = Project is significantly behind schedule, serious risks/issues have been identified or there is a lack of governance documentation	Amber = Progress is behind schedule, some risks/issues have been identified or some documentation is missing. The project may be recoverable	Green = Progress is on track with no impact to delivery	Pending Closure = In close-down stage	Pending Approval = Business Case to be approved	Closed = Project is closed. Closedown report approved by Project Board and Project Management Governance Board.
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Title / Purpose of Project / Programme / Project Manager / Sponsor	Original End Date (as PID)	RAG Status to Original Date	Revised End Date (approved Project Board)	Expected End Date (as Project Status)	Status Update (In Flight) / Programme Office comments	RAG Status	Latest Update Date
Global Protect Programme: 3C Shared Services Project Manager: Paul Ashbridge (3C ICT) Project Sponsor: Emma Alterton	TBC	TBC	31/04/2018	31/04/2018	Global Protect at CCC is being rolled out as part of Council Anywhere. Work continuing at SCDC and revisiting user training 3C ICT: Progress on HDC's side has a Green RAG Status; Main project is Red due to project at the other 2 councils.	Red	5-Jul-18

46 Shared Service Projects where HDC are customers

Title / Purpose of Project / Programme / Project Manager / Sponsor	Original End Date (as PID)	RAG Status to Original Date	Revised End Date (approved Project Board)	Expected End Date (as Project Status)	Status Update (In Flight) / Programme Office comments	RAG Status	Latest Update Date
Implementation of Financial Management System To introduce a new Financial Management System across the council. Programme: 3C Shared Services Project Manager: Andrew Buckell (3C ICT)	TBC	TBC	31/10/17	31/10/17	Capita have agreed to a new sign off of 26/1 and implement 6/2 however still 9 items with Capita. Go cash reconciliation to be fully tested. AR data migration issues being addressed and AR fixes arriving 5/2 which is late for UAT to complete 28/2. Programme Office: FMS has gone live, will discuss with Clive Mason about Project Status.	Red	15-Jan-18 (Via Bitrix Highlight Report)

Financial Performance Monitoring Suite June 2018

Executive summary










This report sets out the financial position at the end of June and provides forecasts on revenue, the capital programme and the Medium Term Financial Strategy (MTFS). The headlines are:

Revenue - the forecast outturn is an estimated overspend of £0.6m. This is £0.1m lower than the previous month's forecast for the year and is continuing the trend from 2017/18.

Capital programme – the forecast outturn is an estimated overspend of £0.6m.

MTFS – The MTFS was previously updated as part of the 2018/19 Budget setting process. However, following the completion of the audit of the outturn for 2017/18, it will again be reviewed and updated as part of the 2019/20 budget setting process. Any impacts on future years as a result of the outturn position will be taken into account.

The following table provides the variances by service and where variances are greater than +/- £10,000 comments have been provided by the budget managers/Head of Service. Where there are adverse variances the budget managers have provided details of the actions they are undertaking to address the overspend.

Revenue Forecast Outturn	2018/19						
	Budget	Forecast Outturn (Gross)	Use of Reserves to Fund Exp	Contribution to Reserves	Net Service Forecast	Net Variation	
	£'000	£'000	£'000	£'000	£'000	£'000	%
Revenue by Service:							
Community	1,779	1,815		7	1,822	43 	2.4
Customer Services	2,533	2,366		97	2,463	(70) 	-2.8
ICT Shared Service	2,107	2,107			2,107	0 	0.0
Development	1,071	992		2	994	(77) 	-7.2
Leisure & Health	(190)	92	(159)	25	(42)	148 	77.9
Operations	3,906	4,679	(98)		4,581	675 	17.3
Resources	4,434	4,491	(69)		4,422	(12) 	-0.3
Directors and Corporate Transformation	1,642	1,576			1,576	(66) 	-4.0
	0	373	(373)		0	0	
Net Revenue Expenditure	17,282	18,491	(699)	131	17,923	641 	3.7
Contributions to/(from) Earmarked Reserves	0	(568)				(568)	0.0
Service Contribution to Reserves	3,026	2,385				(641)	-21.2
Budget Requirement (Services)	20,308	20,308					
Financing:-							
Taxation & Government Grants	(10,892)	(10,892)				0	0.0
Contribution to/(from) Reserves	(966)	(966)				0	0.0
Council Tax for Huntingdonshire DC	(8,450)	(8,450)					

Note:

Red – overspend by 2% or more

Amber – underspend by more than 4%

Green – overspend up to 2% and underspend up to 4%

Service Forecasts as at 30th June 2018

MAY FORECAST		JUNE FORECAST OUTTURN VERSUS BUDGET					
Variance (Net)	Service	2018/19 Budget	2018/19 Forecast Outturn (Gross)	Transfers to/ (from) Earmarked Reserves	2018/19 Forecast (Net)	Variance (Net)	Comments on Variance +/- £10,000
£		£	£	£	£	£	
	Head of Community						
(516)	Head Of Community Total	93,900	87,039	6,612	93,651	(249)	
0	C C T V Total	(70,393)	(70,393)		(70,393)	(0)	
82,305	C C T V Shared Service Total	155,326	199,884		199,884	44,558	Additional costs of maintaining an aged fleet of CCTV cameras, schedule for replacement during 2018/19 (£45k)
(9,279)	Commercial Team Total	276,784	260,884		260,884	(15,900)	Reducing income predictions (£8k) from lower than expected take up on training courses, also impact by limited resources to deliver due to vacant posts. Reduction in income from County Council Primary Authority Partnership. Offset by savings in salaries (-£24k)
217	Corporate Health & Safety Total	104,997	105,072		105,072	75	
13,142	Licencing Total	(103,951)	(90,458)		(90,458)	13,493	Additional costs of staffing (£9k), additional costs for vehicle inspections (£5k) offset by additional income of (2k)
(13,171)	Community Team Total	615,019	598,341		598,341	(16,678)	Savings from vacant posts (£14k), and higher than budgeted income (£12k), offset by additional costs in delivery of services (-£9k)
(14,376)	Environmental Protection Team Total	342,384	332,244		332,244	(10,140)	Savings from vacant posts (£18k), offset by additional costs incurred in recruitment to vacant posts within the team (-£8k)
0	Emergency Planning Total	11,575	11,590		11,590	15	
(440)	Environmental Health Admin Total	137,050	136,688		136,688	(362)	
22,869	Document Centre Total	216,211	244,663		244,663	28,452	External income lower than budgeted
80,751		1,778,902	1,815,554	6,612	1,822,166	43,264	

MAY FORECAST		JUNE FORECAST OUTTURN VERSUS BUDGET					
Variance (Net)	Service	2018/19 Budget	2018/19 Forecast Outturn (Gross)	Transfers to/ (from) Earmarked Reserves	2018/19 Forecast (Net)	Variance (Net)	Comments on Variance +/- £10,000
£		£	£	£	£	£	
Head of Customer Services							
(9,619)	Head of Customer Services	98,042	805	97,152	97,957	(85)	Vacant Post and seconded post - savings will be transferred to reserves and used to fund Transformation Posts
0	Local Tax Collection	(227,770)	(227,770)		(227,770)	0	
0	Housing Benefits - Homeless	381,996	381,996		381,996	0	
(68,945)	Housing Benefits - Other	537,952	468,925		468,925	(69,027)	We receive new burdens funding from DWP for additional work undertaken in administering HB. We have received money for extra work due to welfare reform and will get funding for Universal Credit work later in the year (-£89k), Software costs paid for through new burdens funding (+£22k)
70	Council Tax Support	(127,354)	(127,451)		(127,451)	(97)	
4,895	Housing Needs	1,018,645	1,017,460		1,017,460	(1,185)	
2,034	Customer Services	851,414	851,799		851,799	385	
(71,566)		2,532,925	2,365,764	97,152	2,462,916	(70,009)	

MAY FORECAST		JUNE FORECAST OUTTURN VERSUS BUDGET					
Variance (Net)	Service	2018/19 Budget	2018/19 Forecast Outturn (Gross)	Transfers to/ (from) Earmarked Reserves	2018/19 Forecast (Net)	Variance (Net)	Comments on Variance +/- £10,000
£		£	£	£	£	£	
Head of ICT Shared Service							
0	ICT Shared Service	2,106,741	2,106,741		2,106,741	0	
0		2,106,741	2,106,741	0	2,106,741	0	

MAY FORECAST		JUNE FORECAST OUTTURN VERSUS BUDGET					
Variance (Net)	Service	2018/19 Budget	2018/19 Forecast Outturn (Gross)	Transfers to/ (from) Earmarked Reserves	2018/19 Forecast (Net)	Variance (Net)	Comments on Variance +/- £10,000
£		£	£	£	£	£	
	Head of Development						
(171)	Head of Development	84,715	84,457		84,457	(258)	
0	Building Control	152,540	152,540		152,540	(0)	
121	Economic Development	160,822	151,324		151,324	(9,498)	Underspend on staff costs as a result of vacancy being recruited to.
(55,087)	Planning Policy	675,938	616,707		616,707	(59,231)	(£69K) underspend on staff costs as a result of vacancies being recruited to. £10K contribution to Combined Authority (LEP).
0	Transportation Strategy	56,120	56,120		56,120	0	
0	Public Transport	26,100	26,100		26,100	0	
1,652	Development Management	(297,810)	(299,981)		(299,981)	(2,171)	
(4,749)	Housing Strategy	212,478	205,304	1,620	206,924	(5,554)	
(58,234)		1,070,903	992,570	1,620	994,190	(76,713)	

MAY FORECAST		JUNE FORECAST OUTTURN VERSUS BUDGET					
Variance (Net)	Service	2018/19 Budget	2018/19 Forecast Outturn (Gross)	Transfers to/ (from) Earmarked Reserves	2018/19 Forecast (Net)	Variance (Net)	Comments on Variance +/- £10,000
£		£	£	£	£	£	
	Head of Leisure & Health						
(184)	Head of Leisure & Health	81,788	81,681		81,681	(107)	
(10,583)	One Leisure Active Lifestyles	205,371	355,057	(159,000)	196,057	(9,314)	OLAL To fund St Neots Town FC 3G project £50K received from Mick George Grants and remaining £159K funded through S106 reserves allocated to this project
58,564	One Leisure	(477,255)	(345,165)	25,000	(320,165)	157,090	OLH - Similar to what was reported last month, whilst income to date is up on previous YTD, the significant difference is that of memberships and not yet achieving what was set out in the original business plan and included in the budget. OLSN - the significant difference is the impact upon swimming income lines due to the closure of the pool on general attendance income and swimming lessons - this is to the effect of £63K. The pool is due to re-open 16 July and it is anticipated that there will be a positive impact upon this following the re-opening. OLSI - A full review of Burgess Hall and Burgess Bar has been undertaken for end of Q1, this has resulted in the combined impact of being £144K down on income due to the reduction of bookings and planned events, this has been offset to a degree by a forecast reduction in salary costs of £29K. Following 18/19 the budget setting process there were several personnel changes that meant that the business was not in a position to continue to deliver with the with the same momentum and experience, which the business has suffered financially from, and the impact is being felt in this financial year (as well as last on not hitting budget targets)
47,797		(190,096)	91,573	(134,000)	(42,427)	147,669	

MAY FORECAST		JUNE FORECAST OUTTURN VERSUS BUDGET					
Variance (Net)	Service	2018/19 Budget	2018/19 Forecast Outturn (Gross)	Transfers to/ (from) Earmarked Reserves	2018/19 Forecast (Net)	Variance (Net)	Comments on Variance +/- £10,000
£		£	£	£	£	£	
	Head of Operations						
3,835	Head of Operations	79,568	83,492		83,492	3,924	£4k corporate membership to APSE covers whole council
(26,006)	Environmental & Energy Mgt	9,785	54,314		54,314	44,529	£50k saving not realised due to needs to complete energy saving project
1,241	Street Cleansing	750,161	790,152		790,152	39,991	£16k standpipe licences new water authority requirement for licence to draw water direct from standpipes, £10k diesel price increase; £9k vehicle hire; £8k vehicle repairs
							Action on Overspend - Two Team Leaders only.
35,128	Green Spaces	1,140,441	1,283,115	(98,000)	1,185,115	44,674	£151k S106, (only £98k being funded from reserves, see below); £8k Consultancy project
(1,683)	Public Conveniences	13,400	11,851		11,851	(1,549)	
366,681	Waste Management	2,196,001	2,559,973		2,559,973	363,972	£100k increased Gate fees due to contamination; £52k reduced recycling credits; £71k (2.9% of total staff budget) impact to cover long term sickness cases; £60k consultancy for Round efficiency; £100k increase in fuel price, assumes no change from current level
							Action on Overspend - Contract compliance officer across waste partnership in place. Physical Observation of sampling. Working with HR to pilot streamlined sickness absence and disciplinary action.
216,963	Facilities Management	958,791	1,086,339		1,086,339	127,548	£95k Rent for 3rd Floor PFH; £23k delayed staff changes
(312)	Fleet Management	238,846	242,341		242,341	3,495	
2,449	Markets	(60,998)	(55,279)		(55,279)	5,719	
42,109	Car Parks	(1,420,054)	(1,377,034)		(1,377,034)	43,020	£45k reduced income from excess charges (staff absence - recruiting new staff)
640,407		3,905,941	4,679,263	(98,000)	4,581,263	675,322	

MAY FORECAST		JUNE FORECAST OUTTURN VERSUS BUDGET					
Variance (Net)	Service	2018/19 Budget	2018/19 Forecast Outturn (Gross)	Transfers to/ (from) Earmarked Reserves	2018/19 Forecast (Net)	Variance (Net)	Comments on Variance +/- £10,000
£		£	£	£	£	£	
	Head of Resources						
(794)	Head of Resources	88,705	87,776		87,776	(929)	
(35,241)	Corporate Finance	4,747,444	4,714,469	(6,714)	4,707,755	(39,689)	Increased expected income from CCLA property fund (-£4k), higher interest rates from investments (-£8k), loan payments to PWLB lower than budget (-£14k)
(1,208)	Legal	223,940	223,085		223,085	(855)	
56,962	Audit & Risk Mgmt	544,679	658,265		658,265	113,586	Increase in insurance premium reflecting RTA in 01/17 and EFH Fire in Oct 17 (+£146k), 2 vacant posts with Audit (-£37k) Action on Overspend - Not possible to reduce in the short-term as this is as a consequence of higher insurance premiums.
(407)	Procurement	30,868	38,726		38,726	7,858	
95,484	Finance	589,930	742,512	(62,000)	680,512	90,582	Delay in FMS has resulted in staffing resources needed for longer and additional temp staff for back filling and covering longterm sickness (+£176k), Delay in new FMS resulting in reduced software licensing costs (-£25k) Action on Overspend - There are one-off costs relating to the implementaiton of the FMS; they should not be repeated next year.
64,778	Commercial Estates	(2,657,038)	(2,584,342)		(2,584,342)	72,696	Higher staffing costs (+£170k), reduced CIS income due to highly competitive market (+£87k) (this variance is a mix of reduced MRP expenditure and reduced CIS income), savings in management charge (-£144k), increased estates income excl CIS (-£36k) Action on Overspend - The service continues to proactively investigate CIS opportunities, further investments are required to meet income targets
(122,404)	HR and Payroll	865,695	610,148		610,148	(255,547)	2 FTE posts vacant (-£62k), savings in apprentice scheme employee costs due to several apprentices gaining permanent employment (-£219k), Increase in DBS checks (+£19k)
57,170		4,434,223	4,490,641	(68,714)	4,421,927	(12,296)	

MAY FORECAST		JUNE FORECAST OUTTURN VERSUS BUDGET					
Variance (Net)	Service	2018/19 Budget	2018/19 Forecast Outturn (Gross)	Transfers to/ (from) Earmarked Reserves	2018/19 Forecast (Net)	Variance (Net)	Comments on Variance +/- £10,000
£		£	£	£	£	£	
	Corporate Team Manager						
2,170	Democratic & Elections	810,780	804,761		804,761	(6,019)	£26k reduction in EU referendum settlement. ECU rejected full claim. £4k ongoing costs on code of conduct not budgeted; (£26k) surplus made on Parish elections; (£11k) saving on members special duty allowances.
(215)	Directors	492,052	492,195		492,195	143	
(7,563)	Corporate Team	339,256	278,812		278,812	(60,444)	Holding vacant posts while staff on secondment to transformation and pending restructure
(5,609)		1,642,088	1,575,768	0	1,575,768	(66,320)	

MAY FORECAST		JUNE FORECAST OUTTURN VERSUS BUDGET					
Variance (Net)	Service	2018/19 Budget	2018/19 Forecast Outturn (Gross)	Transfers to/ (from) Earmarked Reserves	2018/19 Forecast (Net)	Variance (Net)	Comments on Variance +/- £10,000
£		£	£	£	£	£	
	Transformation						
0	Transformation	0	373,258	(373,258)	0	0	Not all seconded staff are being backfilled by the service, ergo there are savings in other services. Expenditure being funded from earmarked reserve
0		0	373,258	(373,258)	0	0	

690,717	HDC Totals	17,281,627	18,491,132	(568,588)	17,922,544	640,917	
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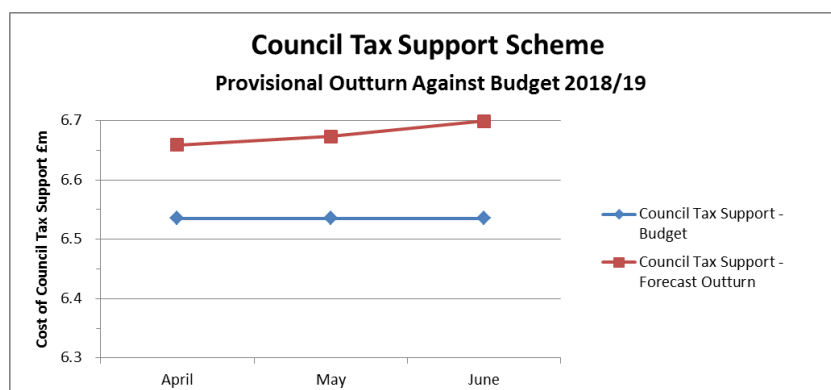
Capital Programme 2018/19		June						
Table 1 Expenditure	Status	Budget Manager	Approved Budget £	Slippage or Supplementary £	Updated Budget £	Expenditure £	Forecast £	Net Variance £
Community								
CCTV Camera Replacements		Chris Stopford	0	220,000	220,000	0	218,557	(1,443)
CCTV Pathfinder House Resilience		Chris Stopford	0	20,000	20,000	0	18,557	(1,443)
CCTV Wi-Fi		Chris Stopford	0	250,000	250,000	0	248,557	(1,443)
Lone Worker Software		Chris Stopford	0	20,000	20,000	0	18,557	(1,443)
					0			0
Development					0			0
Disabled Facilities Grants		Caroline Hannon	1,900,000	0	1,900,000	286,331	2,340,000	440,000
Huntingdon West CIL		Claire Burton	0	0	0	0	553,026	553,026
Alconbury Weald Remediation		Sue Bedlow	0	979,556	979,556	848,109	979,556	0
					0			0
Leisure and Health					0			0
One Leisure Improvements		Pete Corley	366,000	40,000	406,000	44,186	406,000	0
Burgess Hall		Gareth Clark	0	0	0	0	0	0
One Leisure St Ives New Fitness Offering		Daniel Gammons	250,000	0	250,000	0	250,000	0
One Leisure Ramsey 3G		Martin Grey	600,000	0	600,000	0	668,000	68,000
One Leisure St Neots Synthetic Pitch		Jon Clarke	0	390,000	390,000	0	390,000	0
OL St Neots Pool		Jon Clarke	0	278,957	278,957	25,877	278,957	0
					0			0
Resources					0			0
Health and Safety Works on Commercial Properties		Jackie Golby	60,000	0	60,000	0	60,000	0
Energy Efficiency Works at Commercial Properties		Jackie Golby	50,000	0	50,000	0	50,000	0
Cash Receipting System		Paul Loveday	0	2,103	2,103	0	2,103	0
Financial Management System Replacement		Paul Loveday/Andrew Buckell	0	0	0	15,026	50,000	50,000
FMS Archive		Paul Loveday	0	14,000	14,000	0	14,000	0
VAT Exempt Capital		Paul Loveday	208,000	33,000	241,000	0	241,000	0
Loan Facility to Huntingdon Town Council		Paul Loveday	0	800,000	800,000	0	800,000	0
Investment in Company		Paul Loveday	0	100,000	100,000	0	100,000	0
					0			0
Printing Services					0			0
Printing Equipment		Andy Lusha	0	176,000	176,000	0	176,000	0
					0			0
3C ICT					0			0
Flexible Working - 3CSS		Emma Alterton	50,000	14,770	64,770	(6,795)	64,770	0
Telephones - 3CSS		Emma Alterton	0	0	0	0	0	0
Virtual Server - 3CSS		Emma Alterton	0	0	0	0	0	0
					0			0
Operations					0			0
Building Efficiencies (Salix)		Chris Jablonski	0	55,358	55,358	0	55,358	0
Wheeled Bins		Heidi Field	280,000	0	280,000	(33,213)	280,000	0
Vehicle Fleet Replacement		Andrew Rogan	1,033,000	0	1,033,000	134,966	1,033,000	0
Operations Back Office Development		Matt Chudley	230,000	135,000	365,000	0	365,000	0
Play Equipment		Helen Lack	25,000	0	25,000	0	25,000	0
Re-Fit Buildings		Chris Jablonski	0	476,467	476,467	0	492,724	16,257
Bridge Place Car Park Godmanchester		George McDowell	318,000	(14,037)	303,963	0	500,000	196,037
Pathfinder House Reception (DWP)		Chris Jablonski	0	119,853	119,853	91,769	119,853	0
Hinchingbrooke Country Park Wooden Bridge		Judith Arnold	32,000	0	32,000	0	32,000	0
					0			0
Transformation					0			0
Customer Relationship Management		John Taylor	180,000	0	180,000	0	180,000	0
Transformation Schemes		John Taylor	0	1,000,000	1,000,000	0	1,000,000	0
					0			0
Total Expenditure			5,582,000	5,111,027	10,693,027	1,406,256	12,010,575	1,317,548

Capital Programme 2018/19		June						
Table 2 Funding of Capital Programme		Budget Manager	Approved Budget	Slippage or Supplementary	Updated Budget	Expenditure	Forecast	Variance
			£	£	£	£	£	£
Grants and Contributions								
DFGs		Caroline Hannon	(1,100,000)		(1,100,000)		(1,220,000)	(120,000)
Huntingdon West CIL		Claire Burton					(553,026)	(553,026)
Pathfinder House Reception		Chris Jablonski		(278,000)	(278,000)		(278,000)	0
Wheeled Bins		Heidi Field	(146,000)		(146,000)		(146,000)	0
Synthetic Pitch		Jon Clarke		(274,000)	(274,000)		(274,000)	0
One Leisure Ramsey 3G		Martin Grey	(300,000)		(300,000)		(300,000)	0
Operations Back Office		Matt Chudley	(229,000)		(229,000)		(229,000)	0
Health and Safety Works on Commercial Properties		Jackie Golby			0		(20,000)	(20,000)
Total Grants and Contributions			(1,775,000)	(552,000)	(2,327,000)	0	(3,020,026)	(693,026)
Use of Capital Reserves								
Alconbury Remediation Works Reserve		Sue Bedlow	0	(979,556)	(979,556)	0	(979,556)	0
Total Capital Reserves			0	(979,556)	(979,556)	0	(979,556)	0
Capital Receipts								
Loan Repayments		Paul Loveday	(320,000)		(320,000)	0	(320,000)	0
Housing Clawback Receipts		Paul Loveday	(500,000)		(500,000)	0	(500,000)	0
Total Capital Receipts			(820,000)	0	(820,000)	0	(820,000)	0
Use of Earmarked Reserves								
Financial Management System Replacement		Paul Loveday			0		(50,000)	(50,000)
Investment in Trading Company		Paul Loveday		(100,000)	(100,000)		(100,000)	0
ICT Transformation		John Taylor		(1,000,000)	(1,000,000)		(1,000,000)	0
FMS Archive		Paul Loveday		(14,000)	(14,000)		(14,000)	0
CIL Reserve		Andy Moffat			0			0
To Earmarked Reserves			0	(1,114,000)	(1,114,000)	0	(1,164,000)	(50,000)
Total Funding			(2,595,000)	(2,645,556)	(5,240,556)	0	(5,983,582)	(743,026)
Net to be funded by borrowing			2,987,000	2,465,471	5,452,471	1,406,256	6,026,993	574,522
Budget Reconciliation					Updated Budget	Expenditure	Forecast	Variance
		Gross Expenditure			10,693,027	1,406,256	12,010,575	1,317,548
		Total Grants and Contributions			(2,327,000)	0	(3,020,026)	(693,026)
		Use of Capital Reserves			(979,556)	0	(979,556)	(50,000)
		Total			7,386,471	1,406,256	8,010,993	574,522

Financial Dashboard

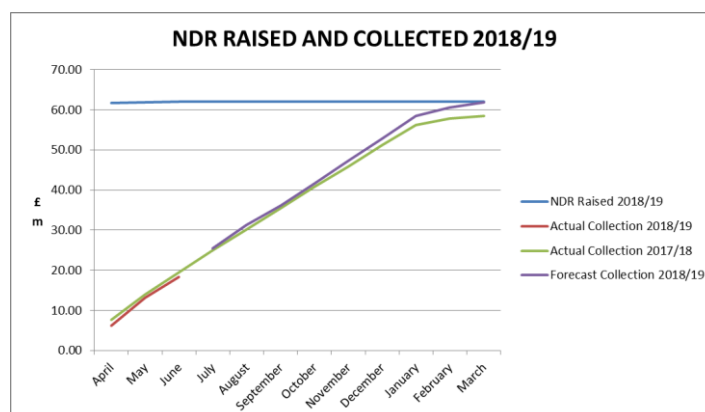
Council Tax Support Scheme

Currently, the actual take-up of Council Tax Support is running approximately £0.16m above the budgeted £6.5m. Any 2018/19 increase in Council Tax Support will impact in 2019/20.



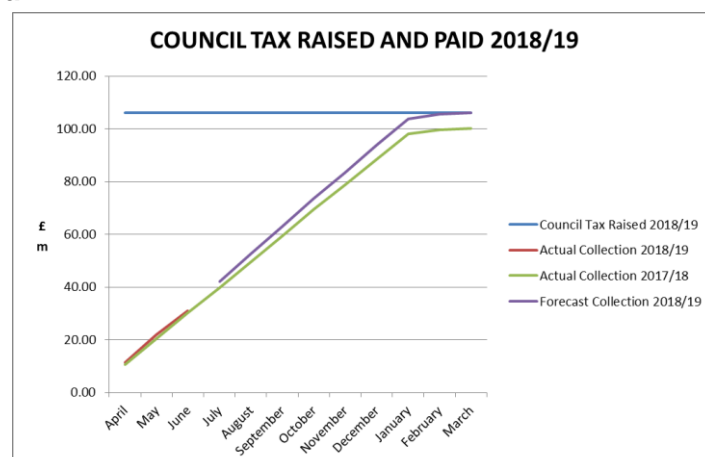
The impact of this increase on HDC will be proportionate to all Council Tax precepts (13.5% for HDC including parishes).

Collection of NDR



The NDR graph above shows the total amount of NDR bills raised in 2018/19 and the actual receipts received up to the end of June, with a forecast for receipts through to the end of the year, based on historical collection rates. The Council tax graph below provides the same analysis.

Collection of Council Tax



Miscellaneous Debt

The total outstanding debt as at the end of June 2018 is £3.546m, £1.596m is prior year debt of which £1.104m relates to 2017/18.

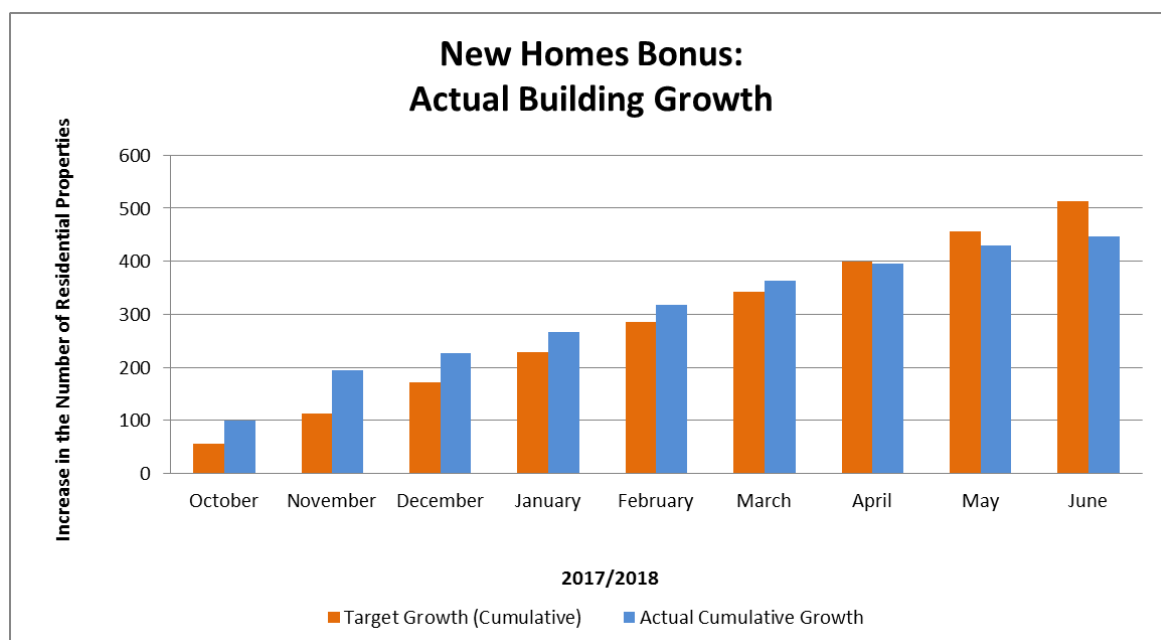
The 2017/18 and 2018/19 debt position is currently showing a large outstanding amount (£3.055m), £894k relates to Commercial Rents, £205k relates to homeless accommodation/prevention, £224k relates to schools and other customers use of One Leisure facilities and £0.983m relates to shared services recharges.

New Homes Bonus

The 2016/17 reporting cycle (October 2016 to September 2017) saw 695 completions which was 128 ahead of the target of 567. The impact of these additional units will come through in 2018/19.

The current reporting cycle (October 2017 to September 2018) has a target number of completions of 1,135, as published in the draft Planning Annual Monitoring Report (December 2016). However, this has been revised downwards to 689 in the December 2017 Planning Annual Monitoring Report and so this lower figure has been used as our target for this year. Currently, 447 properties have been completed in this reporting cycle.

As part of the Local Government Financial Settlement 2016/17 issued in December 2016 the Government announced changes to the New Homes Bonus Scheme. The number of years over which NHB will be paid has reduced from six to four and a new 'deadweight' factor of 0.4% is now being applied meaning the first 0.4% growth above the base does not attract NHB. The impact of these new factors, particularly the deadweight, on the NHB receipts beyond 2017/18 has been assessed and is included in the MTFS.



The process of considering CIS opportunities is as follows:

Step 1

Property investment opportunities are both introduced by agents and actively sourced by the Commercial Estates Team. An initial review is undertaken against the outline criteria of the CIS such as yield, length of lease, tenant strength etc. and if they are judged to be reasonable investments, further preliminary initial due diligence is undertaken to determine the quality of the leases and an initial financial appraisal is undertaken.

Step 2

If Step 1 is passed, more detailed due diligence is undertaken (including detailed tenant strength review, ownership title, property energy efficiency, market analysis of rents and yield etc), this may lead to a site visit and more robust financial appraisal/modelling and further market scrutiny.

Step 3

If Step 2 is passed, then approval is sought from the members of the Treasury & Capital Management Group, the Managing Director, Corporate Director (Services) and the Head of Resources to submit a formal initial bid, subject to contract and relevant building and condition surveys

Step 4

If the bid submitted at Step 3 is successful, then this progresses to consideration by Overview and Scrutiny and approval for Cabinet.

Step 5

Once approval is given, formal legal and building condition due diligence commences by instruction of lawyers and building/specialist surveys are undertaken. This may take several weeks during which all concerns raised on legal and lease title and building condition are satisfied. If any significant concerns are unsatisfied, these can either be negotiated on price or withdraw from the purchase.

Reviews Undertaken April – June 2018 (Q1)

Over the above period, 16 propositions were reviewed up to stage 1, of which 1 is in review to stage 2. All bar two opportunities were outside the District. Within District there was a trade-counter opportunity, but with offers showing a yield below 4.75% this was too keenly priced. We are currently appraising an industrial estate on Stukeley Meadows, whilst not providing diversity in the portfolio, it does provide a greater return and is within the boundary. An opportunity from March 2018 has been approved by Cabinet and in legal hands (stage 5) at the Rowley Centre, St Neots.

By property type the investments considered in Q1 are as follows:

Offices	3	Development sites (non-investment)	2
Leisure	1	Distribution	1
Retail high street	2	Industrial/warehouse	4
Retail warehouse	1	Other (trade counter /student housing)	2

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Change to the Constitution - HDC Ventures Limited – Shareholder Representative and Reference Group

Meeting/Date: Cabinet – 20th September 2018

Executive Portfolio: Councillor D Tysoe - Executive Councillor for Digital and Customers

Report by: Managing Director

Ward(s) affected: All

Executive Summary:

The Council has established a Local Authority Trading Company, HDC Ventures Limited. Its purpose is to enable the Council to participate in commercial trading activities. The Cabinet and Council have previously endorsed the appointment of a Shareholder Representative and Reference Group. Following these decisions, the Corporate Governance Committee considered the necessary amendments to the Constitution and, while the majority of the Arrangements and Terms of Reference were approved, a small number of changes have been recommended. The Corporate Governance Committee requested that the changed document is referred to the Cabinet prior to being submitted to the Council for incorporation into the Constitution.

The amended Arrangements and Terms of Reference are attached. The changes are:

- The Shareholder Representative and the Shareholder Reference Group will report and be accountable to the Council; and
- Rather than state the name of an individual, Point 6 of the section on the Operation of the Shareholder Reference Group should read: *“The Secretary appointed to HDC Ventures Ltd will also act as Secretary to the Shareholder Reference Group.”*

Subject to the change to the Constitution being approved, Group leaders will be asked to nominate representatives to sit on the Reference Group and a programme of meetings will be established.

Recommendation:

The Cabinet is

RECOMMENDED

To recommend the Council to approve the insertion of the

Arrangements for the Shareholder Representative and Shareholder Reference Group as appended into Part 3 Responsibility for Functions of the Constitution.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to acquaint the Cabinet with the final terms of the **Arrangements for the Shareholder Representative and Shareholder Reference Group** following consideration of them by the Corporate Governance Committee.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 The Council needs to be able to exercise its role as Shareholder of any company it owns. Inclusion of the necessary arrangements in the Constitution creates a sound legal basis for decisions to be taken.

3. OPTIONS CONSIDERED/ANALYSIS

- 3.1 The Cabinet has previously considered the options analysis. Following some minor amendments, this report formally contains terms of the Arrangements for the Shareholder Representative and Shareholder Reference Group.

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

Implementing our Transformation Programme.

Commercialisation will be an important part of the way HDC functions in the future. The creation of de facto trading entities is one of the key elements of the transformation plan.

Identifying new opportunities for income generation, where appropriate.

This will be achieved via the development of a 'commercial culture' across the Council, alongside a systematic approach to evaluating and developing commercial projects.

Having a more engaged and motivated workforce.

Commercial activities will introduce new ways of thinking and working into the Council, which will provide opportunities for professional and personal development across the organisation.

5. LEGAL IMPLICATIONS

- 5.1 The proposed action is in response to a recommendation by the Council's legal advisers, Trowers and Hamlins LLP, that the Shareholder role should not fall to any of the Council's existing Member forums. It is common for Councils that have established Local Authority Trading Companies to form a separate Shareholder decision-making mechanism and, indeed, it is considered to be best practice.
- 5.2 Trowers and Hamlins, together with the Council's external advisor, also have advised on the arrangements and Terms of Reference. These are standard terms and are common amongst other councils that have Local Authority Trading Companies.

6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 6.1 The text contained in the Appendix will be incorporated into the Constitution.

- 6.2 Political Group Leaders will be asked to nominate representatives to sit on the Shareholder Reference Group. A programme of meetings will be established. Ad hoc meetings also may be convened as and when necessary.

7. REASONS FOR THE RECOMMENDED DECISIONS

- 7.1 A mechanism is required for decisions to be taken on behalf of the Council as the Shareholder of its Local Authority Trading Company. Legal advice and nationally recognised best practice indicate that separate arrangements should be established to exercise the Shareholder role and the appointment of a Shareholder Representative together with a Shareholder reference Group will achieve what is required in a way that best serves the circumstances of the Council.

LIST OF APPENDICES INCLUDED

Appendix – Shareholder Representative – Arrangements and Terms of Reference

BACKGROUND PAPERS

None

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SHAREHOLDER REPRESENTATIVE - ARRANGEMENTS AND TERMS OF REFERENCE

Overview

The Shareholder Representative will exercise the Council's role as shareholder in any company, limited by shares wholly or partly owned by the Council for the purposes of service provision and/or trading activities. The Representative will be appointed by the Council and acts with delegated authority ensure the performance of any such company is satisfactory. The Representative will report and be accountable to the Council.

Any reference in these terms of reference to "Company" is defined as a company in which the Council holds shares.

Purpose

The Shareholder Representative will have the power to approve:

1. Any minor change in the nature of the Business or the jurisdiction in which it is managed and controlled.
2. The issue or allotment of any shares in the capital of the Company or any Subsidiary Undertaking of the Company or the creation of any security or the grant of any option or rights to subscribe in respect thereof or to convert any instrument into such shares.
3. The reduction of the share capital or variation of the rights attaching to any class of shares in the capital of the Company or any Subsidiary Undertaking of the Company or any redemption, purchase or other acquisition by the Company of any shares or other securities of the Company or any Subsidiary Undertaking of the Company; the sale, transfer or disposal of the whole or a substantial part of the Business, or any dilution of the Company's interest in any Subsidiary Undertaking.
4. The formation of any Subsidiary Undertaking or the acquisition of or investment in any other company or business.
5. The approval and/or adoption of any Business Plan or annual budget or any variation of the Business Plan; or annual budget from time to time.
6. The entering into any purchase, sale, lease or licence of any freehold or leasehold property (other than in accordance with the Business Plan).
7. The disposal of any assets of the Company or any Subsidiary Undertaking.
8. Any changes to the Articles of the Company or any Subsidiary Undertaking of the Company.
9. Entering into any arrangement, contract or transaction between the Company or any Subsidiary Undertaking of the Company and any third party which has an annual contract value in excess of £150,000 (or the equivalent amount in any other currency).
10. Any change of the Company's name, auditors, bankers, accounting reference date; entering into an agreement to do any of the foregoing.
11. The appointment and removal of Company Directors.
12. The exercise of any reserved powers in the Articles of a Company.
13. The distribution of any surplus or the issue of any dividends from a Company.
14. Any recommendation from Company Directors to cease trading.
15. Reports to the Council annually on trading activity.
16. Reviews of the risks associated with trading activities.

The Shareholder Representative will not have operational control over Companies. All decisions regarding the day to day operation of each Company, its business development and commercial opportunities, staff terms and conditions and the development and implementation of its internal procedures, rest with the Directors of each Company.

Operation

The Council has delegated to the Shareholder Representative the authority to take decisions in respect of the Council's shareholding in any Company. The Shareholder Representative will exercise the powers defined in the previous section.

The Shareholder Representative, in fulfilling the role, will have regard to the views of the Shareholder Reference Group.

The Managing Director, Section 151 Officer, Monitoring Officer and Corporate Director - Services, acting in their capacity as Officers of the Council, will be advisors to the Shareholder Representative to provide open and strong technical advice. Additional advisors may be invited to attend the Board as required.

Any decisions made by the Shareholder Representative must be notified to the Company's directors and the Shareholder Reference Group as soon as reasonably practicable following such decision being taken.

In cases of urgency, a decision may be made by the Shareholder Representative after consultation with the Managing Director. Any urgent decisions made by the Shareholder Representative must also be notified to the Shareholder Reference Group as soon as reasonably practicable following such decision being taken.

The Shareholder Representative will review the Terms of Reference annually.

Relationship to Overview and Scrutiny Committee

The Council's relevant Overview and Scrutiny Committee will retain its scrutiny function in relation to the Shareholder Representative. Overview and Scrutiny will be able to call the Representative to account for progress in relation to any Company for which the Council is a shareholder and any returns it is making.

Scope

In respect of Teckal-compliant companies The Shareholder Representative will:

1. Monitor Teckal compliance at least annually.
2. Ensure the Business Plan of a Teckal compliant Company is aligned to the corporate objectives of the Council.

In respect of non Teckal-compliant wholly Council-owned companies The Shareholder Representative will also:

1. Seek to optimise returns on investment from trading activities.
2. Ensure trading activities are conducted in accordance with the values of the Council.

In respect of any shareholding and/or joint ventures The Shareholder Representative will:

1. Evaluate the return and benefits of the shareholding against the values of the Council.
2. Where appropriate, exercise influence over the company and /or joint ventures in accordance with the values of the Council.

Operation of the Shareholder Reference Group

1. The Shareholder Reference Group will comprise four Members and will be politically balanced.
2. The Shareholder Reference Group will report and be accountable to the Council.
3. The Shareholder Reference Group will meet with the Shareholder Representative quarterly, or as required.
4. No substitutes will be permitted.
5. All information received by Members arising from participation in the Shareholder Reference Group shall be deemed confidential.
6. The Secretary appointed to HDC Ventures Ltd will also act as Secretary to the Shareholder Reference Group.

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