

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Progress on issues arising from the 2017/18 Annual Governance Statement
Meeting/Date:	Corporate Governance Committee – 23 January 2019
Executive Portfolio:	Councillor J A Gray – Executive Councillor for Resources
Report by:	Internal Audit & Risk Manager on behalf of the Senior Leadership Team.
Ward(s) affected:	All Wards

Executive Summary:

Traditionally the Annual Governance Statement (AGS) contains issues for which the Council itself is wholly responsible. In a climate of increasing partnership and public service reform, both the Executive Leader and Managing Director felt that this approach did not address the risks that are of greatest potential impact to the authority and the achievement of its objectives.

The 2017/18 AGS reflected a more strategic outlook by considering matters that could severely impair the Council's financial position and, therefore, its ability to function or identify new opportunities. Consequently the AGS contained five themes that will be required to be addressed across both 2017/18 and the forthcoming financial years.

1. Housing affordability
2. Morbidity/Growing number of years of ill health
3. Wider economic environment
4. Skills level and wider educational attainment
5. Partner agency operational pressures

Progress across the five themes has been mixed. A significant amount of work has been spent on housing affordability and addressing the causes of homelessness.

It is anticipated that the five themes will be repeated in the 2018/19 AGS although they may be adapted to reflect current and forthcoming pressures.

Details of the action taken against each theme is set out in the attached report.

Recommendation:

It is recommended that the Committee note and take into account the progress that has been made in introducing the key improvement areas arising from the 2017/18 AGS when undertaking their 2018/19 governance review.

1. WHAT IS THIS REPORT ABOUT/PURPOSE?

- 1.1 This report informs the Committee of the progress that has been to date in introducing the five key improvement areas that were contained in the 2017/18 Annual Governance Statement (AGS).

2. WHY IS THIS REPORT NECESSARY

- 2.1 The Committee need to be assured that sufficient action has been taken to deal with the five theme areas.

1. Housing affordability - *Leading to homelessness and constraining growth.*
2. Morbidity/Growing number of years of ill health - *Impacting on people's ability to be self-reliant and generating additional cost through support needs.*
3. Wider economic environment – *impact of Commercial Investment Strategy/Business rates receipts and level of need from residents.*
4. Skills level and wider educational attainment - *as a means by which residents are able to attract profitable work and in attracting employers to the area.*
5. Partner agency operational pressures - *financial challenges of partners impacting on demand for our services or reducing existing support.*

- 2.2 An extract from the 2017/18 AGS that sets out in detail the five themes and issues to be considered is included at Appendix 1.

3. ANALYSIS

- 3.1 When the five theme areas were first discussed by the Committee in March 2018, the Managing Director explained that central to the identification of the governance issues were the financial pressures likely to be exerted onto the Medium Term Financial Strategy (MTFS). Subsequent events that have taken place elsewhere ((notably the financial difficulties at Northamptonshire County Council (which are leading to its dissolution) and East Suffolk Council (which is now focussing on delivering statutory services only)), local financial challenges of the County Council and local Clinical Commissioning Group (CCG) together with national initiatives such as the fair funding review suggest that addressing the MTFS pressures was the correct approach to take. These challenges and the veracity of them was presented to Members by Aileen Murphie, Director for Local Government Value for Money at the National Audit Office, in September 2018.

- 3.2 Agreeing to address outward looking themes was a challenge for Senior Managers as the AGS had previously only required them to be concerned with dealing with (inward facing) issues that they could directly address and control. Each theme is wide ranging and will be delivered only if a strategic and collaborative approach is taken. In this first year, the importance of building relationships and influence with partner colleagues cannot be underestimated. It is anticipated that the five themes will remain (albeit with slight amendments) for a number of years with outcomes building year on year.

- 3.3 The current position against each of the themes is summarised below.

1. Housing affordability

Leading to homelessness and constraining growth.

- a) The Council's Housing Strategy is to be reviewed and updated in 2019/20 so that it reflects the legislative requirements of the Homelessness Reduction Act 2017 that came into force during 2018. It is anticipated that the Strategy will encompass all four of the action points (see appendix 1) listed in the 2017/18 AGS.
- b) Outcomes from the 2017/18 Housing Strategy action plan were discussed by the O&S Panel (Performance & Growth) in September 2018. Highlights include the 363 successful homelessness preventions during 2017/18 and the completion of 123 affordable homes.
- c) An homelessness early prevention pilot has been underway since April 2018. The pilot aims to identify at an early stage those who are in rented accommodation but may be at risk of homelessness due to their inability to find work and/or poor financial circumstances. A substantial amount of work has been undertaken to develop a number of pathways (e.g. referrals to Citizens Advice for debt management advice or EDGE for assistance with applying for jobs) to support and assist residents. Five residents have been proactively supported into work after contacting the Council on wholly unrelated matters and whilst only a handful of residents have been assisted to date, indications are that the pathways are proving beneficial.
- d) The Council has also been considering how it can use Discretionary Housing Payments (DHP) to assist those who may be at risk of homelessness. There has been some innovation in the use of DHPs. For example, someone living in social housing and in rent arrears due to having their housing benefit payments reduced due to living in a property that has a spare bedroom (and classed as being under-occupied) have had their rent arrears paid and been moved to a smaller property. This both frees up a property whilst reducing the possibility of future financial problems for the tenant.
- e) A pathway has also been established with Criminal Justice partners that allows for the early notification of the release of offenders so that potential employment opportunities and other appropriate support can be identified. Similar pathways are being developed to identify young people leaving care and those being discharged from hospital who have drug, alcohol or mental health issues. Whilst the Council does not deliver services initially to these groups of people, it can provide support to the partner agencies as and when necessary with the aim of reducing the call upon the housing budget.
- f) The Council is beginning to focus services around the need of the community. It is working in a multi-agency group alongside local residents in the Huntingdon North ward to identify those who are vulnerable and may become homeless. The group is supporting a number of community groups (e.g. grub-hub) with the intention that residents can develop and take responsibility for these initiatives themselves.
- g) The Council has provided support to the Greater Staughton Community Land Trust (CLT) who are planning to build 12 affordable houses in Great Staughton to which local people who have a connection to the Great Staughton parish area will be given priority. The Cambridgeshire and

Peterborough Combined Authority (CA) is supporting and providing financial backing to CLTs. Other CLTs may be developed to which the Council would also provide support.

- h) Details of a number of surplus land sites have been provided to a developer with the intention of identifying both land values and to identify the potential number of affordable homes that could be built across these sites.

2. Morbidity/Growing number of years of ill health
Impacting on people's ability to be self-reliant and generating additional cost through support needs.

- a) Business case prepared for increasing the use of Hinchingsbrooke Country Park (HCP) and which will also allow it to become free from subsidy. An outline case for Paxton Pits has also been prepared. Both documents are to be considered by O&S Panel (Customers and Partnerships) and Cabinet in January 2019. Feasibility studies planned for 2019/20 for larger strategic green sites in Huntingdon and St Neots. These projects seek to secure and enhance open free space as a key route for activity for all residents as evidenced by over 500 people attending a recent free park run at HCP.
- b) Through the Active Lifestyles team, a range of exercise initiatives and classes have been introduced for older people and those requiring additional support to exercise. In 2017/18 the team organised and delivered more than 3,700 physical activity or sport sessions attracting more than 45,000 attendances (19,700 older people and 20,400 long term health conditions). One notable success in 2017/18 was the introduction of a 'Care Home offer' leading to 124 exercise sessions delivered in partnership with local Residential and Care Home Providers. The team contributed to a public health led county wide strategic group tackling falls among older adults and were actively involved in a pilot scheme in St Ives. Continuing the theme of continuous improvement 2018/19 has seen the introduction of additional specific classes for people with long term health conditions (including Cancer patients, and Postural Stability which is a more specific, highly tailored falls prevention service). In January 2019 Active Lifestyles are launching the ESCAPE¹ pain management rehabilitation programme aiming to help people with osteoarthritis and chronic joint pain, self-manage their condition.
- c) With support from both the Design Council and Local Government Association that Council has been tackling significant levels of obesity in Ramsey through the Live Well initiative. This has been a challenging project and the benefits derived to date have not been as expected. The Transformation Board are due to consider in the New Year whether to continue with the project, re-focus or cease to work in this area.
- d) Section 106 agreements continue to be negotiated with developers towards the provision of recreational spaces and their future up-keep. Developers appear to be requiring that the Council show that there is a demonstrable demand for play provision in schemes before committing to

¹ ESCAPE Pain stands for Enabling Self-management and Coping with Arthritic Pain through Exercise. ESCAPE Pain is endorsed and supported by NICE, British Society of Rheumatology, Royal Society of Rheumatology, Royal Society of Public Health, Charters Society of Physiotherapy, Arthritis Research UK, Arthritis Research UK, and the Academic Health Science Network.

S106 agreements.

- e) External funding for the Countywide 'Let's Get Moving' initiative extended until June 2020. Let's Get Moving Cambridgeshire aims to improve the health of the Cambridgeshire population, specifically by increasing levels of physical activity. This is done by promoting existing opportunities, developing new opportunities, and supporting individuals that require support to achieve their goals.
- f) Urban & Civic, at the Council's behest, successfully applied to become a member of the NHS Healthy Towns Network. In developing the new communities at Alconbury Weald and Wintringham St Neots, Urban & Civic will incorporate healthy living initiatives for the benefit of future residents.

3. Wider economic environment

Impact of Commercial Investment Strategy/Business rates receipts and level of need from residents.

- a) A Local Industry Strategy is being prepared by the CA with which the Council is collaborating. The strategy will consider how the Council can assist in developing both the local economic environment and a skilled workforce to work within it.
- b) A 'Better Business for All' pilot is underway which has been developed via funding from the Ministry of Housing, Communities and Local Government (MHCLG). The pilot is a means by which the Council can engage with the local businesses and deliver the support they need to grow.
- c) Property acquisitions have been made within the District under the Commercial Investment Strategy.
- d) Discussions are on-going with the CA regarding the distribution of business rates arising from properties in the Alconbury Weald Enterprise Zone.
- e) A feasibility study is underway to consider whether businesses in St Neots should be given the opportunity to vote for their own Business Improvement District (BID).
- f) Working with a number of partners the Council is involved in the St Neots Smart Town initiative. Whilst the initiative is at an early stage, the intention is that by using data and emerging technologies to address transport and connectivity challenges it will help provide information that will influence the behaviours of residents and businesses.
- g) The Council is represented on the 'Connecting Cambridgeshire' (CoCam) Board which is in the process of investing approx. £25m in improving the digital infrastructure (superfast broadband, full fibre, public access wi-fi and 5G mobile coverage) across Cambridgeshire and which is a key factor for economic investment decisions by businesses. The key performance indicator targets set by CoCam are all currently being achieved.

4. Skills level and wider educational attainment - as a means by which residents are able to attract profitable work and in attracting employers to the area.

- a) A review of the Council's apprenticeship programme has been completed. From 2019/20 the Council intends to stop recruiting to its current apprenticeship posts but use the apprenticeship levy to fund the training of its current employees. This is likely to see an overall increase in apprenticeship numbers.
- b) Safeguarding training for taxi drivers has been provided.
- c) Over 60 One Leisure employees have obtained or are being trained to become qualified lifeguards. Lifeguarding posts are an entry level position for many staff and obtaining the qualification is the first steps towards a career in the leisure industry.
- d) Discussions are underway with the Probation Service about how the Council may assist with the rehabilitation of offenders by offering them both temporary and/or permanent work opportunities so they can afford private sector rents and not become homeless.
- e) The Council was represented at the third annual EDGE school careers fair at Wood Green in December 2018 and also supported its organisation.
- f) Limited benefits have been obtained to date from suppliers delivering a social value benefit (i.e. creating opportunities for the long-term unemployed or other disadvantaged groups, apprenticeships or other environmental or community benefits) to the District when being awarded contracts of a significant value (£180k or more). A separate report is to be submitted to O&S Panel (Customers & Partnerships) exploring the opportunities for improving social value delivery within the District.

5. Partner agency operational pressures - financial challenges of partners impacting on demand for our services or reducing existing support.

- a) There was engagement with Cambridgeshire County Council about their proposed 2019/20 budget and the likely impact service cuts would have upon the District. The County Council understand that the Council is willing to work collaboratively both with themselves and other agencies to consider alternative ways of working.
- b) The County Council were planning to remove £1m from their £7.5m Supporting People budget in 2019/20. Following representations from the Council and others the County agreed not to cut the service but work with the District authorities to consider alternative ways of providing housing related services.
- c) Operations intend to divest themselves of weed-spraying on some County Council owned areas in 2019/20. Responsibility for this task will revert to the County Council. Likewise it is the intention to start charging a number of our partners to empty litter bins, a service that has not been charged for previously.
- d) The NHS is changing the way in which it defines whether or not it is

responsible for the collection of 'sharps'. With increases in the number of type 1 diabetics and the self-administration of certain types of prescription drugs, 'sharps' that used to be collected by the NHS are now becoming the responsibility of Operations to collect and dispose of. Increasing people's health and well-being (and reducing diabetes), should see a reduce in 'sharp' collections.

- e) In conjunction with other agencies, the Council is involved in looking to reduce the costs of responding to incidents of crime in the Huntingdon North ward which is estimated to cost the agencies £8m/annum to deal with.
- f) The Assistant Director (Transformation) works from County Hall one day per month, alongside the County Council's transformation team. This provides an opportunity to influence each other's work plans as well as exploring joint working initiatives.
- g) Representatives from both the Police and Public Health sector have spoken at the Managers Forum, outlining the financial and operational pressures they are facing.
- h) From April 2017 the County Council's Public Health Team (PHT) withdrew its financial support for the Exercise Referral Scheme (ERS). The PHT had contributed to the costs of the ERS for a number of years allowing it to be provided free of charge to the client. The Public Health grant was circa £27,000 per annum effectively funding one full time Physical Activity Officer working across the District directly with clients. Attempts to secure replacement funding from the NHS were unsuccessful. The ERS has continued but with clients being charged to access. The ERS could be free and expanded but is currently restricted by the number of qualified staff employed.

3.2 Both Overview and Scrutiny Panels (O&S) received a presentation from the two Corporate Directors in June 2018 that outlined the five themes in the AGS and opportunities for including elements of these in their future work programme. Both Panels agreed in October to include two themes in their work programme – Leisure and Health for O&S (Customers and Partnerships) and Housing and Skills for O&S (Performance and Growth). Scoping documents for the reviews have been prepared.

3.3 All Council Managers as part of the Management Development programme have been assigned to one of 12 Cohort groups to undertake training around the five 'icare' themes. As part of the learning outcome, each cohort has spent six months working on a project around one of the five AGS themes and is required to give a presentation to the Corporate Leadership Team with the intention being that one or more of the ideas within the presentations is developed further or referred to O&S for further consideration.

4. KEY IMPACTS.

- 4.1 If sufficient and timely action is not taken, this may lead to:
- adverse comments being reported by the external auditor in the Value for Money opinion;
 - poor governance procedures remaining in place which may affect the delivery of the Council's objectives and its long term financial stability.

- 4.2 In delivering a number of the Corporate Plan actions and the AGS themes the Council needs to be mindful of the parallel and complimentary role of the CA and Business Board. It is recognised that there will be occasions when the Council needs to either work in partnership/collaboration with the CA/Business Board, or independently of it (whilst remaining aware of the CA initiatives) when it is felt that it deliver the best outcomes for the District.

5. WHAT ACTIONS WILL BE TAKEN?

- 5.1 Action has already been taken as set out above. Further updates on the progress that has been taken to address the five themes will be reported to the Committee in July 2019 when the 2018/19 AGS is considered.

6. LINK TO THE CORPORATE PLAN

- 6.1 The five AGS themes have clear and direct links to the 2018/22 Corporate Plan vision and aspirations that have been set for both People and Place.

People

- Support people to improve their health and well-being.
- Develop a flexible and skilled local workforce.
- Develop stronger and more resilient communities to enable people to help themselves.

Place

- Create, protect and enhance our safe and clean built and green environment.
- Accelerate business growth and investment.
- Support development of infrastructure to enable growth.
- Improve the supply of new and affordable housing, jobs and community facilities to meet current and future needs.

- 6.2 Good corporate governance structures underpin everything that the Council does. Effective delivery of the Corporate Plan requires sound procedures and processes to be in place. These seek to ensure that decision making complies with laws, regulations and proper governance practices.

7 REASONS FOR THE RECOMMENDED DECISIONS

- 7.1 The Committee require assurance that the areas for improvement identified during the 2017/18 annual governance review process are being addressed.

APPENDIX 1

Extract from 2017/18 AGS.

BACKGROUND PAPERS

Annual Governance Statement 2017/18

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2017/18 Annual Governance Statement - Themes

Housing Affordability*Leading to homelessness and constraining growth.*

This issue is one which impacts on the Council's ability to deliver the Corporate Plan primarily through the escalating financial consequences of homelessness. Furthermore it also has a bearing on the mobility of the local labour market, on inward investment and business growth opportunities. For the Council as an employer it also hampers our ability to recruit and retain suitably experienced and qualified staff.

Actions:

- Develop a more detailed understanding of the underlying causes of homelessness.
- Trialling new ways of working to spot opportunities for early intervention for those individuals whose circumstances mean that they are vulnerable to homelessness.
- Developing new delivery options to secure affordable homes within the District, where necessary using Council assets to provide alternatives to the market delivery homes.
- Work with the Combined Authority to develop local Community Land Trusts to bring forward genuinely affordable and local solutions.

Morbidity/Growing number of years of ill health*Impacting on people's ability to be self-reliant and generating additional cost through support needs.*

Increasing pressures are being felt by many parts of the public service system, primarily through the growing demand on support costs, a rise in complex individual cases which cuts across many service providers, through such things as disabled facilities grants and personal care costs. This is not something that any single agency has ownership of, but requires joint working to deliver effective solutions focussing on wellbeing and life choices as well as housing, open spaces, transport infrastructure and the design of place.

Actions:

- Use our leisure services to encourage healthier lifestyles through engaging people of all ages in activities to improve health.
- Pilot new ways of working within localities with local communities and other agencies to deliver tailored solutions to issues within defined communities.
- Create plans to encourage cycling and walking, and ensure that designs of new housing areas encourage active lifestyles.

Wider economic environment*Impact of Commercial Investment Strategy/Business rates receipts and level of need from residents.*

The Council's financial robustness is closely linked with the private sector, which also supports the delivery of one of its key Corporate Plan strategic priorities – delivering sustainable growth across the District. The Council is making tactical investments in the property market and is able to assist the private sector in many ways, but external factors such as market volatility will have a greater impact, which may in turn directly impact on the Council's financial plans and forecasts for new homes bonus, council tax and business rates incomes.

Actions:

- Use the Council's Commercial Investment Strategy to support the local economy.
- Maintain and enhance the Council's existing commercial estate to provide value accommodation for local businesses.
- Work with local Business Improvement District (BID) teams and the Local Enterprise Partnership (LEP) to further stimulate economic growth within the District to ensure a pipeline of new and high value jobs in the major growth sectors.
- Refocus our economic development activity to support new and emerging sectors in our economy, to create the environment within which new business can thrive.

Skills level and educational attainment

As a means by which residents are able to attract profitable work and in attracting employers to the area.

It is important that all young people are able to fulfil their potential and become active citizens with meaningful and valuable work. Furthermore the workforce within the area needs to be supported to continue to gain value employment and meet the demands for new skills in the labour market. In turn this will also contribute to the area's reputation for attracting inward investment and so grow and thrive. Finally, skilled and flexible workforces who possess digital skills will allow the Council to transform its current delivery models and offer new methods of service delivery.

Actions:

- Fully develop and deliver a digital vision for Huntingdonshire, ensuring that we support the establishment of the basic infrastructure of superfast broadband and 5G mobile coverage through our own estates and the planning system.
- Support apprenticeships, directly as an employer, but also through our supply chain and through promotion with local businesses.
- Continue to engage with schools through local careers fairs and EDGE, but also through fostering direct links between employers and educational institutions.
- Develop a brand for Huntingdonshire to establish a reputation which will draw in investment and create an environment in which industries of the future can thrive.

Partner agency operational pressures

Financial challenges of partners impacting on demand for our services or reducing existing support.

There is evidence to suggest that as parts of the public sector reduce their input into communities, that the demand transfers to other agencies. In Huntingdonshire whilst partners work well together there continues to be the challenge of controlling additional demand and the corresponding budget pressures that it brings. Elsewhere financial pressures in one sector, have had significant financial and capacity impacts on the authority.

Actions:

- Share budget planning activity with other public agencies to guard against unintended consequences of financial decisions.
- Continue to engage with near neighbours, particularly the County Council and health services to understand how best we can compliment each other's activity.