
Overview & Scrutiny Panel (Economic Well-Being)

**Reports of the meetings held on 15th April, 3rd June
and 10th June 2010**

Matter for Determination

**1. PROPOSED AMENDMENTS TO THE
HUNTINGDONSHIRE DISTRICT COUNCIL BUDGET 2010/11**

Pursuant to Item No. 52 of its Report to the meeting of the Council held on 21st April 2010, and with the assistance of additional information, the Panel has discussed proposed amendments to the 2010/11 Budget, which had been submitted by the Liberal Democrat Group to the Council on 17th February 2010. The Council decided to refer the proposals to the Panel for consideration and relevant Officers were invited to comment on each of them. A copy of the report considered by the Panel is appended as an Appendix hereto.

Members have been advised by the Liberal Democrat Group that the proposals are not intended to be a comprehensive alternative budget but represent suggestions for ways in which the Council might achieve budget adjustments.

As part of their deliberations, the Panel has discussed suggestions for reductions to Members' allowances and for research on the next review of allowances to be carried out "in house". Members have noted the statutory requirement of the Council to arrange for an independent review to be undertaken in the current year. Although the Panel is not in favour of a specific recommendation on allowances to the Independent Review Panel, Members suggest that the review should take account of recent economic trends. Moreover Members also have suggested that the review be undertaken as cost effectively as possible, having regard to the allowance made in the Medium Term Plan to undertake the process.

The Panel has also discussed the potential to reduce expenditure on District Wide and in doing so has discussed its frequency of publication and its value as a means of communicating with local residents without access to the internet. Members have decided that further information is required on the public's perception of District Wide and on other options to reduce the cost of its production before a recommendation is made on this proposal.

In respect of proposals relating to the Council's current electoral arrangements, the Panel has concluded that, as the Council has recently taken a decision on the cycle of elections, no changes should be made to the Council's current electoral arrangements.

With regard to the suggestion aimed at reducing the amount of paper the Council uses, the Panel has discussed the potential benefits of producing documents using alternative formatting. Whilst recognising the potential this represents for achieving savings, the Panel is conscious that any changes should be considered against the requirements of those with disabilities. In addition, the Panel has suggested that savings in the cost of postage might be achieved if the Council is more selective in the way documents are sent to Members and has agreed to investigate the potential benefits of producing a protocol for this purpose.

In discussing the proposal to purchase Smart meters for loan to residents, the Panel has noted that other initiatives to reduced domestic energy consumption are already included in the Medium Term Plan. However, whilst Members do not support the additional expenditure proposed, the Panel has asked the Overview and Scrutiny Panel (Environmental Well-Being) to consider whether the benefits of Smart meters are more cost effective than some of the other initiatives already planned to inform future action under the Environment Strategy.

With respect to the remaining proposals, the Panel has noted that improvements to Huntingdon Bus Station will not be undertaken pending a review of alternative options and it has been agreed that any further reports on public conveniences should be reviewed by an Overview and Scrutiny Panel before being submitted to the Cabinet. Members have also decided to carry out a more wide-ranging review of customer services at a future meeting.

Having noted that the proposal relating to the Arts Development Services had been withdrawn, the Panel

RECOMMEND

that the Council notes and endorses its deliberations on the proposals by the Liberal Democrat Group at the Council meeting in February –

- ◆ **the Independent Members' Allowances Panel is requested to take account of recent economic trends when it undertakes the forthcoming review;**
- ◆ **the review will be undertaken as cost effectively as possible;**
- ◆ **further information has been requested on the public's perception and the effectiveness of District Wide and on ways of reducing the cost of its production;**
- ◆ **a report has been requested on the scope of a review of customer services;**

- ◆ no changes are recommended to the Council's current electoral cycle;
- ◆ Officers will investigate ways of altering the format of Council publications to reduce cost;
- ◆ Investigations will be undertaken into ways of disseminating information to Members more economically;
- ◆ planned improvements to Huntingdon Bus Station have been deferred pending the outcome of investigations into alternative courses of action;
- ◆ any future reports on public conveniences will be reviewed by an Overview and Scrutiny Panel before being submitted to the Cabinet;
- ◆ the Overview and Scrutiny Panel (Environmental Well-Being) will consider the cost effectiveness of investing in the distribution of Smart meters to residents in comparison with other initiatives in the Environment Strategy; and
- ◆ the proposals relating to the Arts Development Service have been withdrawn.

Matters for Information

2. COVERT SURVEILLANCE POLICY - RIPA

The Panel has received a joint presentation by the District Council's Solicitor and Fraud Manager on the Council's use of covert surveillance. The presentation had been requested because the Council's Policy will be reviewed later in the year following the publication of new codes of guidance by the Home Office.

The Panel has been acquainted with the background to the use of covert surveillance by local authorities and the scope of its use for the prevention of crime and disorder. The Panel has also received details of the policy on covert surveillance employed by the District Council, including the authorisation procedure and the reporting and record keeping arrangements in place. The Panel has noted that the Council's level of use of covert surveillance is low, which reflects the fact that overt surveillance is used whenever possible and covert surveillance is used only as a last resort.

Any covert surveillance has to be authorised by a senior Officer and in granting authorisation the tests of necessity and proportionality are applied. The Council is regulated by the Office of Surveillance Commissioners and inspected by a Judge every three years. For this reason extensive reporting and record keeping arrangements are in place.

The Fraud Manager has provided information on the ways in which surveillance is used within the Benefits section, together with details of the outcomes of benefit fraud investigations in recent years. The

Panel has been advised that two of which authorisations have taken place in the previous year. Covert surveillance is considered to be a valuable tool which, in addition to supporting or refuting allegations of benefit fraud, is used to identify weaknesses in the Council's systems. The Council operates to the standards required of criminal evidence and cost is an important factor in deciding whether to undertake covert surveillance

The Panel has discussed a number of issues, including the cost of training officers given the small number of authorisations that are actually made. Part of the purpose of the training is to ensure that covert surveillance is only used where appropriate. Members have also discussed whether noise monitoring is effective if those generating the noise have to be informed that such action is being undertaken.

In discussing the investigation of potential benefit fraud, the Panel has queried whether the evidence obtained might be weakened by not having undertaken surveillance of suspects late at night. The Panel has also commented that use should be made of the local press to publicise the outcome of successful prosecutions for benefit fraud as a deterrent to others.

3. STANDARDS COMPLAINTS

Information has been provided to the Panel on the costs incurred by the Council in dealing with complaints made against district and parish councillors since responsibility for dealing with complaints was transferred to local authorities from Standards for England in May 2008.

Members have received an outline of cases referred for formal investigation together with estimates of the time spent by the Monitoring Officer and his deputy on standards related matters. They then examined the sanctions that can be imposed on individuals found to have acted inappropriately under the Code of Conduct and the courses of action if these are not complied with.

The Panel has discussed the means by which issues of a more trivial nature are dealt and whether there is any opportunity to hold a complainant to account if there is found to be no case to answer. It is, however, a legal requirement that all complaints are considered by the Standards Committee and, if no further action is required, the complainant receives a decision notice to this effect.

The Panel has discussed four investigations that have been undertaken by an external investigator. As each investigation is a time consuming exercise, it has not been possible for these to be undertaken by staff because of existing workloads. A former Council employee with experience in the field has therefore been retained which has proved significantly more cost effective than other alternatives.

With regard to the mechanisms through which details of cases are circulated to town and parish councils, Members have been informed that decision notices are routinely provided to town and parish clerks. Training sessions are also available for parish and district councillors.

Having reviewed the information provided, the Panel has expressed their concern at the transfer of a significant and highly regulated area of work to councils without additional funding from Government.

4. REQUEST FOR A LOAN TO THE WILDLIFE TRUST FOR BEDFORDSHIRE, CAMBRIDGESHIRE, NORTHAMPTONSHIRE AND PETERBOROUGH – FEEDBACK

The Panel has been informed of the conclusions of the Cabinet in respect of a request for a loan to the Wildlife Trust for Bedfordshire, Cambridgeshire, Northamptonshire and Peterborough. In so doing, the Panel has been pleased to note that the Cabinet has agreed with their earlier conclusions on the interest rate and the robustness of the terms and security of the loan and the Great Fen Project's governance arrangements.

5. VISITOR DEVELOPMENT AND TOWN CENTRE VIBRANCY

The Panel has received a presentation by the Head of People, Performance and Partnerships and the Sustainable Economic Development Manager on visitor development and town centre vibrancy. Having been reminded of the Cabinet's previous decisions drastically to reduce the tourism service to make savings, Members have been acquainted with the ways in which the Council, in conjunction with its partners and local businesses, encourages visits within Huntingdonshire.

There are two main strands to the Council's strategy. First, it aims to encourage visitors within a two hour radius of the District to use local accommodation by drawing attention to specialist attractions and attracting tourists visiting Cambridge. This is almost exclusively achieved through the internet. Secondly, it endeavours to promote town centre vibrancy and thereby persuade Huntingdonshire residents to spend their money locally. The resources used by the Council to do this work amount to less than the equivalent of one full-time post.

The Panel has discussed the interaction between the two approaches, the potential for staging more large scale events and the costs and benefits of this work. Members have noted that most bed and breakfast accommodation is occupied by workers staying during the week. While they are keen to promote events, it has been stressed that this should be done using local suppliers and services.

Having received an introduction to this area of activity, the Panel will now look at the cost of the service and the benefits it brings to both the Council and the District.

6. TREASURY MANAGEMENT ANNUAL REPORT 2009/10

In accordance with the requirements of the CIPFA Code of Practice and the Council's Treasury Management Strategy, the Panel has reviewed the performance of Fund Managers for the year ending 31st March 2010 in the investment of the Council's Capital receipts. Members have been pleased to note that funds have performed well, significantly exceeding both the benchmark and the budgeted investment interest. In addition, all of the Council's investments have been repaid in full and on time.

The Panel has paid particular attention to the scheme through which town and parish council's can deposit funds with the District Council for investment. Having noted the origins of the scheme, the Panel has been made aware of the strict legal framework within which it operates in that, for example, the District Council cannot borrow to invest. Members have considered whether there might be any benefit in varying the scheme's current terms. While the administrative costs and low level of likely returns mean it would not be worth reducing the minimum sum that can be invested, there might be an opportunity to tailor investments that exceed £250k.

With regard to the Council's advisors on investments, Members have discussed the value of the service they provide. Although the cost to the Council is relatively low, the Panel consider that the Council should review whether they are needed in two years time, when balances have reduced.

Having discussed the security of investments and received an update on the request for a loan by the Wildlife Trust for Bedfordshire, Cambridgeshire, Northamptonshire and Peterborough, the Panel has endorsed the Treasury Management Annual Report 2009/10 for submission to the Cabinet.

7. PERFORMANCE MANAGEMENT

In conjunction with the Panels for Social and Environmental Well-Being, the Panel for Economic Well-Being has reviewed the Council's performance against the targets within the Corporate Plan "Growing Success" that fall within its remit.

The Panel has received clarification regarding the fact that the Burgess Hall is £20k up on target and £30k up on the previous year yet hospitality income has dropped by £65k across the board. While the former concerns events income, the latter relates to bars and catering income. Members also have received a brief statement on the role of the Bars and Catering Manager at St Ivo. Members have decided that the reported financial performance requires further investigation. In addition, the Panel will also look at the leisure centres' overall financial performance and their employment structure.

Comment also has been made that the target of 10% for staff turnover is too high and that something in the order of 7% would be

more appropriate. At the same time it is recognised that an actual figure of 2.23% is a positive performance.

Other Matters of Interest

**8. OVERVIEW & SCRUTINY PANEL –
REMIT AND WORK PROGRAMME**

The Panel has reviewed its programme of studies and considered its work programme for the forthcoming year. In so doing, the Panel has noted that the Customer Services Monitoring Report and the annual report containing details of those organisations supported by grants through service level agreements will be presented to its July meeting.

The Panel has added waste collection round scheduling, promotion of use of disposable nappies and the use of S106 money for transport schemes in St Neots to the list of matters it intends to investigate in the course of the year.

9. OVERVIEW AND SCRUTINY ANNUAL REPORT 2009/10

The Panel has reviewed the draft Overview and Scrutiny Annual Report for 2009/10. Having been advised that there is a constitutional requirement to produce such a report each year, Members have suggested that it should include further details of the work the plan to undertake in the forthcoming year .

10. SCRUTINY

The Panel has considered the latest editions of the Decision Digest and discussed the matters contained therein. As a consequence of a comment made concerning the number of new entries made to the Risk Register during the period 1st September to 28th February 2010, the Panel has invited the Audit and Risk Manager to a future meeting to discuss this matter further.

J D Ablewhite
Chairman