
Overview & Scrutiny Panel (Economic Well-Being)

**Report of the meetings held on 28th February, 8th
March and 5th April 2012**

Matters for Information

**51. CASTLE HILL HOUSE – FORMER HUNTINGDONSHIRE DISTRICT
COUNCIL OFFICES – HIGH STREET, HUNTINGDON**

(The following item was considered as a confidential item under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.)

In conjunction with the Cabinet (Item No.60 of their Report refers), the Panel has reviewed the options that the Council has previously considered for Castle Hill House, High Street, Huntingdon and considered details of an offer which had been received for the property. In so doing, the Panel has been advised of the financial implications for the Council and the Medium Term Plan of the offer and Barker Storey Matthews' assessment of the local property market and the prospects for change.

The Panel has discussed a range of issues including the terms of the current offer, changes in property values and the cost of refurbishing the building. Members have also queried the difference between the offer and the figures included in the MTP for the sale of Castle Hill House and the timing of the decision to put the building on the market. Having also considered other uses of the building, on the grounds that it would be used constructively and that it would encourage the local economy, the Panel has recommended that the Cabinet should accept the offer for Castle Hill House.

The outcome of the Cabinet's deliberations has been reported to the Panel at its meeting on 8th March 2012. At the meeting the Chairman has also reported that he has raised the principle of items being submitted to the Cabinet at short notice with the Executive Leader.

52. LOCATION OF THE CALL CENTRE

(The following item was considered as a confidential item under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.)

Further to Item No. 10 of its Report to the meeting of the Council on 28th September 2011, the Panel has considered options for the future location of the District Council's Call Centre and the key developments that had taken place since their previous deliberations on this subject. Members are pleased to note that the Council has now reached a licence agreement to let part of the Civic Suite to another public sector organisation which has enabled the Council to meet a target in the Medium Term Plan.

The Panel has discussed the results of investigations into whether there might be any benefits from co-locating the District Council's Call with the Huntingdonshire Customer Service Centre. Members have questioned the validity of the methodology that has been employed and suggested that other approaches would have better facilitated this decision. The Panel has also discussed whether savings might be achieved by co-locating services but it is difficult to determine whether savings might be achieved by co-locating services when the option of multi-skilling existing employees has not been included in the appraisal. However, Members have been advised that significant savings have already been achieved by combining the service's management arrangements and that benchmarking of the service is undertaken on a regular basis.

The Panel has welcomed the decision to prioritise improving the Council's resilience and has suggested that as a professional exercise has established the necessity to locate the call centre in a separate urban area to ensure the disaster recovery arrangements are effective, the Council should seek to improve resilience at Pathfinder House. In this respect, the Panel has received an update on the work which is being undertaken to review the Council's existing Business Continuity Strategy. The Chairman will discuss with the Chairman of the Corporate Governance Panel, the best way for the Economic Well-Being Panel to contribute to the review.

Members are of the view that customer service quality is of paramount importance. It is held that the call centre works extremely well and that there are no apparent advantages to changing the current arrangements. With this in mind, the Panel has congratulated the Head of Customer Services on the achievement of a Customer Service Excellence award and has recommended that the Council should seek to negotiate a new lease for Speke House for up to 5 years with a break after 3 years.

53. BUSINESS IMPROVEMENT DISTRICT – HUNTINGDON

In conjunction with the Cabinet (Item No. 63 of their Report refers), the Panel has considered a proposal to establish a Business Improvement District (BID) for Huntingdon. Subject to their agreement through a ballot, local businesses will pay an additional charge on their business rates to fund improvements to enhance their trading environment. The Huntingdon BID will focus on the town centre and is essentially the area circumscribed by the ring road which covers 369 businesses across the retail and office sectors.

The Panel has discussed the collection of the BID levy and how its success will be measured. With regard to the latter, Members have noted that if the Business Plan is not convincing, this will be reflected in the outcome of the BID ballot. In addition, all projects will have their own critical success factors and it will be possible to dissolve the BID at any time if local businesses do not consider that it is delivering the anticipated outcomes.

Huntingdon Town Partnership has evolved to such an extent that District Council funding only amounts to 40% of its overall budget. Of the District's Town Partnerships, Huntingdon is best placed to become a Business Improvement District. The District Council has provided additional funding to assist with meeting the cost of the development phase of the BID. It is unlikely that the District's other towns will be in a position to adopt a similar approach.

Members have commented on the changing face of high street shopping and the likelihood that town centres will become more leisure orientated and a focal point for the community in future years. On the question of car parking being identified as a key priority area for BID activities, Members have been advised that it is possible for the BID to use its funding to reimburse the local authority for providing free car parking; however, in other areas this had been considered but not pursued.

The Panel has recommended the Cabinet to authorise:

- ❖ the Head of Customer Service to enter into the BID Levy Operating Agreement required in order to meet the Council's obligations under the Local Government Act 2003; and
- ❖ the Managing Director, Communities, Partnerships and Project to cast any votes to which the District Council is entitled after consultation with the Executive Leader.

54. DEVELOPMENT OF ONE LEISURE, ST IVES

(The following item was considered as a confidential item under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.)

The Panel has reviewed the project to develop One Leisure, St Ives following the receipt of tenders to carry out the works. Members have discussed the merits of compiling a full breakdown of One Leisure's financial position including a business plan and details of all recharges and capital and maintenance costs before a decision is taken on whether to proceed. It has, however, been pointed out that the capital implications of the development have been included in the project appraisal. Furthermore, it has been argued that the case for proceeding with the project is not solely justified on economic grounds. Members are, therefore, of the view that the development project should not be delayed while a business plan is completed.

The Panel has indicated that it would have been helpful if the cost of the Council's contribution to obtain the social benefits that the development will provide had been identified. The One Leisure Finance Working Group is currently working on a methodology through which such costs might be calculated. The Panel has suggested that the Working Group should identify how far the Council should proceed with projects that have a social impact for a relatively small return.

The Panel has discussed whether market conditions are such that the development should continue at present. Attendance figures for some activities at leisure centres have declined in the last year and it has been held that work should not commence until the leisure market begins to improve. However, attendances at St Neots and Huntingdon are higher now than they were before improvements were carried out. In addition, maintenance works will be required any way and the development will enable the works to be completed at a lower cost than would otherwise have been the case. Moreover, the money spent on the development will help the local economy.

The tender which is recommended for acceptance is the lowest one that has been received. Members have been assured that the bidder's standards of work have been examined and are considered to be satisfactory.

Having supported the recommendation that the development should proceed, Members have further recommended that, in the context of budget reductions elsewhere and an increase in Council Tax, the Council should develop a strategy to manage its communications on this subject.

With regard to a letter by the St Ives District Rifle and Pistol Club requesting assistance to move to alternative premises, the Panel has suggested that the Cabinet should invite the Club to provide a business plan and, subject to the information provided, the Council should consider providing the Club with an interest charged loan.

At the conclusion of its discussions, the Panel has recommended the Cabinet to grant permission for the development, permit the General Manager, One Leisure to let the contract and authorise the development to proceed.

55. REVIEW OF HR SERVICE

(The following item was considered as a confidential item under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.)

The Panel has discussed options for the future provision of the internal Human Resources (HR) service. It is recognised that there are advantages to employing a HR Manager directly such as guaranteeing that the Council will obtain the service it wants and other informal benefits from having in-house expertise. However, Members' overriding view is that a shared service is the preferred option.

The Council needs to develop shared services to safeguard its financial viability. Although negotiations have taken place concerning other services, none has to date resulted in a shared service. This opportunity should be accepted as it demonstrates the Council's commitments to shared services. This could lead also to savings in other areas in the future.

It is necessary for the Council to provide a high quality service for its employees and assurances have been received that the required quality of service can be obtained through this kind of arrangement. However, the current cost of the service might be too high, so the Panel is of the view that the Council ought to benchmark the service to ensure that the cost is in-line with the market. The outcome of this process might be used during the negotiations to achieve a price reduction. It is generally accepted that the Council should not undertake a full market testing exercise at this stage.

When the terms of any agreement are being analysed, the Council should take into account the cost of and practical arrangements for contract management and monitoring and ensuring the terms of the agreement are complied with. The Panel supports the view that a shared service will improve the resilience of the service.

If the Council decides to proceed with a shared service, Members recommend that efforts should be put into managing the change process as it will present considerable difficulties and challenges for employees. It is, however, felt that such a change could provide affected employees with career opportunities.

There is some urgency to finalise an agreement as this will obviate the requirement to meet the current cost associated with managing the service. The Panel has suggested that employee side representatives should address the Cabinet when this matter is considered.

The Panel has recommended the Cabinet to:

- pursue a shared service agreement to provide a full HR service to the Council including the TUPE transfer of the current Council staff;
- benchmark the agreement with the private sector to ensure it represents good value for money;
- include the cost of contract management and monitoring and ensuring the terms of the agreement are complied with in the appraisal of the agreement;
- make clear that the Council will withdraw from the agreement if it does not receive the level of service it expects, and
- authorise the Managing Director, Resources to deliver the agreement after consultation with the appropriate Executive Member and Executive Leader.

56. ONE LEISURE WORKING GROUP

The Panel has received an update on the progress of the One Leisure Working Group. The Cabinet has asked the Working Group to:-

- investigate possible alternative business models One Leisure might employ, and compare them with the present one; and
- assist the Executive Councillor for Healthy and Active Communities with the development of a methodology for the quantification of “social value”.

To enable them to undertake this work, the Working Group has decided to divide its Membership into two sub-groups. The sub-group looking at the business model has decided to co-opt another Member who has experience of outsourced or managed services to assist them with its work and Councillor A Mackender-Lawrence has been appointed for this purpose.

57. BUDGET 2012/13 AND MTP – FEEDBACK

The Panel has received and noted a report from the Cabinet on its response to their comments on the Budget 2012/13 and the Medium Term Plan. Members are pleased to note that the Cabinet has accepted their recommendations.

Other Matters of Interest

58. WORK PLAN STUDIES

The Panel has received details of studies being undertaken by the other Overview and Scrutiny Panels. An update has been received on developments relating to travellers' sites and on the review of the Neighbourhood Forums. Having noted the progress which has been made with the study on design principles for future developments, it has been suggested that St Neots Town Council should be invited to contribute to this work.

59. OVERVIEW AND SCRUTINY (ECONOMIC WELL-BEING) – PROGRESS

The Panel has reviewed its ongoing studies at each of its meetings. An update has been provided on the activities of the working group which had been established to review the District Council's Document Centre. Members have also requested that a presentation is made to the whole Council on developments relating to the A14 at the appropriate time.

At the suggestion of Councillor M F Shellens, the Panel has agreed to discuss the Council's approach to its financial reserves at a future meeting. Councillors R B Howe, P G Mitchell and M F Shellens have been invited to prepare a short introduction to facilitate the discussion.

Consideration will be given to whether studies need to be undertaken into the impact of development at Northstowe on the District's market towns and the implications of planning social housing requirements on Community Infrastructure Levy income and the housing waiting list.

60. LOCAL GOVERNMENT ACT 2000 – FORWARD PLAN

The Panel has been acquainted with details of the current Forward Plan of Key Decisions at each of its meetings. In so doing, Members have noted those items which will be presented to future meetings.

61. SCRUTINY

The Panel has considered the latest editions of the Decision Digest and discussed matters contained therein.

T V Rogers
Chairman