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## **Overview & Scrutiny Panel (Economic Well-Being)**

**Report of the meetings held on 9th January and  
6th February 2014**

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### **Matters for Information**

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#### **28. LOCAL GOVERNMENT SHARED SERVICES**

The Panel welcomed Messrs Quentin Baker, Director of Law, Property and Governance, and Ian Farrar, Director of Information Technology Services, to its meeting in January to give a presentation on Local Government Shared Services. All Members of the Council had been invited to attend.

LGSS had been established in October 2010 as a shared services partnership jointly hosted by Cambridgeshire and Northamptonshire County Councils. It currently employs in the region of 1100 full time equivalent staff. During the presentation reference was made to LGSS' business scope and services, its customers and partners and the work which is going on to develop a business Case for sharing Information Technology (IT) and Legal Services with the District Council.

Arising from the presentation, the Panel has discussed the management and governance arrangements of LGSS, its five year strategic plan and its financial operating basis. Having been advised of the significant benefits which are obtained from economies of scale, the Panel has also discussed the size of the professional services offered by the LGSS Legal and IT divisions. As part of this, Members have questioned what effort is put into improving internal processes to deliver better returns and have been provided with specific examples of improved process within IT Services and in the revenues and benefits services at Norwich City Council. A breakdown of the ways that savings have been achieved has been requested.

The Panel has been assured that LGSS promotes sharing of best practice amongst its constituent organisations rather than impose its own practices on them. A number of specific examples have been provided to support this point. In terms of the business case for the potential sharing of IT and Legal Services, the Panel has been acquainted with the joint approach, which has been adopted to its development. Work is proceeding on the basis that it would be different from the HR, Payroll and Organisational Workforce

Development arrangements. It is expected that a detailed business case shortly will be submitted to Overview and Scrutiny, Cabinet and Council.

Members have examined the mechanisms under which LGSS could be held to account and the arrangements for withdrawing from the contract if either party wishes to do so. Detailed aspects of the way an agreement would operate have also been discussed.

Having been informed of the extent of LGSS' discussions with other Councils within the County about further potential agreements, Members have emphasised the benefits that would accrue to LGSS if it formed a partnership with Huntingdonshire District Council.

## **29. FACING THE FUTURE UPDATE**

The Panel has received an update on the work being undertaken by the Overview and Scrutiny Panel Chairmen and Vice-Chairmen to prioritise the savings opportunities emerging from the Facing the Future programme. A report on the outcome of this exercise has been submitted to the Overview and Scrutiny Panel (Environmental Well-Being), Item No. 25 of their Report refers.

In response to a question as to whether the Council's Corporate Plan will need to be re-visited in light of the Facing the Future process, the Panel has been informed that work is underway to develop a new Corporate Plan, which will bring together the Authority's business and financial planning cycles.

## **30. HUNTINGDONSHIRE DISTRICT COUNCIL LEADERSHIP DIRECTION 2014-16**

In conjunction with the Panels for Social and Environmental Well-Being, the Panel has reviewed the proposed vision, strategic themes and aims that will form the 2014 -16 Huntingdonshire District Council Corporate Plan. Members were pleased to note that the clear message underpinning the Corporate Plan is the need to provide value for money and to identify evident linkages between the Plan and the funding streams provided by the Government.

Having noted that work is underway to develop a framework through which the delivery of the themes and aims within the Plan will be measured, the Panel has examined each of the four strategic themes in turn. Members have suggested that the vision should incorporate the opportunity that Huntingdonshire offers within all of the areas within the Plan. They have also questioned whether sufficient effort is being made to enhance the local economies that already exist and emphasised the need to recognise the importance of the rural areas to the local economy. It has been recommended that it is clarified that one of the aims is to have the right planning policies in place.

Members have discussed the way forward and supported the intention to present performance information to elected Members to

enable the overview and scrutiny panels to monitor the performance of the Authority.

### **31. BUDGET 2014/15 AND MEDIUM TERM PLAN 2015 – 2019**

The Panel has reviewed the Medium Term Plan (MTP) for 2015-19 and the Budget and the level of Council Tax for 2014/15, which appear as a separate item elsewhere on the Agenda for the Council meeting. In doing so, Members have examined in detail the budgetary information presented and have welcomed the new format in which this information has been made available.

With regard to the level of Council Tax, the majority of Panel Members have endorsed the view of Executive Councillors that the Authority should freeze its current level of Council Tax for the forthcoming year and accept the Government's Council Tax Freeze Grant. However, the Chairman has suggested that representations should be made to Government that the offer of the grant on a percentage basis rewards high spending local authorities and that alternative ways of distributing it should be used.

The Panel has noted that the reduction in forecast expenditure will now mean that the Authority's forecast Net Interest and Borrowing Costs will represent 16.4% of Net Spending in 2018/19. Having reviewed the options that are available to keep within the limit of 15%, the Panel has agreed that, in the current circumstances, the Cabinet should recommend the Council to approve the proposed MTP. However, Members have been pleased to note that a review of the capital programme will be incorporated into the forthcoming year with a view to making further savings. The Panel intends to continue to monitor this area and has established a working group to give further consideration to the question of the gross costs of capital.

In concluding their deliberations on this matter, the Panel has indicated that the Cabinet should recommend the Council to approve the proposed MTP, Budget and Financial Plan and freeze the level of Council Tax for 2014/15; that is, a Band D charge of £133.18. Members have emphasised that it will remain critical to identify the necessary savings for future years and that careful monitoring will need to continue to take place.

### **32. 2014/15 TREASURY MANAGEMENT STRATEGY**

In accordance with its responsibility for scrutinising Treasury Management, the Panel has reviewed and endorsed the Treasury Management Policy and Strategy for 2014/15. It is a key element of the Council's Code of Financial Management and the aim of the Strategy is to provide strategic guidance on how the Council shall conduct its Treasury Management activities. The Strategy appears as a separate item elsewhere on the Agenda.

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## **Other Matters of Interest**

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### **33. NOTICE OF KEY EXECUTIVE DECISIONS**

The Panel has received current Notices of forthcoming Key Executive decisions, which have been prepared by the Executive Leader. In so doing, Members have confirmed which items they want to consider at their future meetings.

### **34. OVERVIEW & SCRUTINY PANEL (ECONOMIC WELL-BEING) – PROGRESS**

The Panel has reviewed its programme of studies and has decided that communications, shared services and estates should be removed from their work programme. It has been agreed that the outcome of the audit on Electronic Document Management (EDM) should be incorporated into the work plan.

### **35. SCRUTINY**

The Panel has received the latest editions of the Decision Digest at each of its meetings.

T V Rogers  
Chairman