

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CABINET held in the Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Thursday, 20 October 2016.

PRESENT: Councillor R B Howe – Chairman.
Councillors R C Carter, S Cawley,
R Harrison, D M Tysoe, G J Bull, S J Criswell,
D Brown and J M Palmer.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors J A Gray.

46. MINUTES

That the Minutes of the meeting held on 22 September 2016 were approved as a correct record and signed by the Chairman.

47. MEMBERS' INTERESTS

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

48. SHARED INTERNAL AUDIT SERVICES

By way of a report by the Head of Resources (a copy of which is appended in the Minute Book) the Cabinet considered the Business Case for the Shared Audit Services between Huntingdonshire District Council, Cambridge City Council and South Cambridgeshire District Council.

It was explained that the rationale for the establishment of the Shared Audit Service differed to those Shared Services that had previously been agreed between the three partner Councils as it provided the opportunity to deliver a more resilient and responsive service rather than the generation of savings being the main focus. The employing authority for the Shared Audit Service would be South Cambridgeshire District Council.

The opening staff budget for the Shared Audit Service would be circa £425k combining the 2016/17 staffing budgets for the three authorities. The ratio of the budget contribution initially for the Council would be 40%, formed by the saving distribution and additional costs incurred, if any, such as redundancy, pay protection and savings of £51.9k had been targeted for 2017/18.

The Shared Audit Services would generate a minimum saving target of 11% of net revenue budget. In the first year there would be the requirement for the Council to contribute £10k to the initial set-up costs, which would be met from the Special Earmarked Reserve and reimbursed within a year.

The governance principles and decision-making processes in existence at the three Councils would remain, meaning that Internal Audit matters at Huntingdonshire District Council would continue to be reported to the Corporate Governance Committee.

The Shared Audit Service, including a new Senior Audit Manager post, was expected to be in operation from April 2017.

At 7.08pm, Councillor S Cawley entered the meeting.

Having been invited to address the Cabinet, the Chairman of the Corporate Governance Committee presented its recommendation to the Cabinet, the matter having been considered by the Committee at its meeting on 27 September (Minute No.27 of the Corporate Governance Committee refers).

It was explained that the Committee were concerned as it appeared that the decision had already been made and the report and Business Case prepared to fit the decision.

All Members of the Committee except one had expressed an opinion on the matter and there was consensus that the Council had a high quality audit service that could be diluted with the requirement to support the other local authorities within the Shared Service Partnership.

At 7.10pm, Councillor D Brown entered the meeting.

The Chairman of the Corporate Governance Committee noted that the Executive Councillor for Strategic Resources had stated that the 3C Shared Service Partnership arrangement would not be allowed to affect the sovereignty of the Council. However, it was felt that the decision to proceed with the Shared Audit Service would have a profound effect long-term on the sovereignty.

The Committee were also concerned that the decision to proceed with a Shared Audit Service would affect the efficiency and morale of staff and to date there had been no consultation with affected staff. Currently the Internal Audit Team was motivated and worked well for the Council.

The Committee had noted that different performance standards and cultures existed across the three authorities. The Council employed its own Audit and Risk Manager whilst both Cambridge City Council and South Cambridgeshire District Council obtained this service from Peterborough City Council.

Within the Business Case for the Shared Audit Service more risks were identified than benefits. In addition it had previously been reported to the Cabinet that savings had not yet materialised from the 3C Shared Service Partnership arrangement.

In conclusion the Chairman of the Corporate Governance Committee stated that the Committee recommended to the Cabinet to not proceed with the Business Case for the establishment of a Shared Audit Service.

The Cabinet agreed that the Corporate Governance Committee had made a persuasive argument and the different performance standards and cultures across the three authorities. If the Council wanted the transformation agenda to succeed it needed to concentrate on this matter, particularly as the Council already had a successful Internal Audit Service.

The Cabinet concurred that the case for financial savings was poorly identified and the case of resilience was not strong enough to warrant the argument for proceeding with the proposal.

The Cabinet concluded that the Business Case did not sufficiently outline the problem of resilience that it was supposed to address. Resilience might be an issue for partner authorities. However, the Cabinet agreed that this was not an issue for Huntingdonshire District Council.

In considering the recommendation of the Corporate Governance Committee, the Cabinet agreed that the matter be considered at a later date. Whereupon it was

RESOLVED

to not proceed with the Business Case for the establishment of a Shared Audit Service, for the matter to be considered at a later date.

49. FULL BUSINESS CASE FOR THE MERGER OF THE TRUSTS RUNNING HINCHINGBROOKE, PETERBOROUGH AND STAMFORD HOSPITALS

Having been invited to address the Cabinet, the Chairman of the Overview and Scrutiny Panel (Communities and Environment) presented a report (a copy of which is appended in the Minute Book) with a summary of the Full Business Case for the merger of Hinchingsbrooke Health Care NHS Trust with Peterborough and Stamford Hospitals Foundation Trust.

The comments of the Overview and Scrutiny Panel (Communities and Environment) were circulated to the Cabinet prior to the meeting, the agenda for the Cabinet meeting having been published prior to the Overview and Scrutiny Panel meeting.

The Chairman of the Overview and Scrutiny Panel (Communities and Environment) expressed appreciation to those Members and Officers involved in the matter and explained that the Panel had wished to offer constructive comments. However, it appeared that the Trusts had formulated their conclusion prior to having commenced the engagement process.

The Panel were concerned that there had been no consideration for a 'Plan B', nor of any other options, or of the possible failure of the merger. When the Panel had challenged the Trust the response had been that the merger would not fail and that if the merger did not proceed the Trust would experience a loss of Consultants. However, the Panel were aware that a significant proportion of mergers elsewhere had been unsuccessful.

Another significant concern of the Panel had been the 'democratic deficit' on the Board of Governors of the merged Trust meaning Hinchingsbrooke was currently underrepresented and therefore decisions could favour Peterborough and Stamford hospitals.

The Cabinet were informed by the Executive Councillor for Leisure and Health that what was not apparent from the Full Business Case was the intention of the merger being to put the patient first. It was noted that the Care Quality Commission inspection area rating had improved and Hinchingsbrooke hospital had now been rated 'Good'. The size of the accident and emergency department was small which meant that retaining staff was difficult and the proposal looked to address clinical resilience.

In discussing the matter the Cabinet stated that the merger would affect all residents of the District and in order for the merger to succeed, and to have focus, it was not advantageous to have a 'Plan B'. The issues that the merger looked to address would not disappear and there was inevitability amongst the Cabinet that the merger would happen. However, to proceed with a democratic deficit within the governance structure was unacceptable, as the Board of Governors had to be democratically balanced, to enable the public to hold the Trust to account.

There was some concern expressed within the Cabinet that as the merger followed the early withdrawal of Circle, the private company operating Hinchingsbrooke Health Care NHS Trust, in the future the Cabinet would be responding to the potential closure of the hospital. It was further suggested that the merger was unlikely to give Huntingdonshire or its residents any consideration.

It was not apparent from the Overview and Scrutiny Panel recommendation as to the virtue of the merger and whether the Council should respond in a supportive manner. Given that the Panel had received presentations from representatives of Hinchingsbrooke Health Care NHS Trust and Cambridgeshire and Peterborough Clinical Commissioning Group the Cabinet considered that the Panel were in the best position to formulate this opinion.

Any response from the Council needed to be positive and indicate how the community highly valued Hinchingsbrooke Hospital. The Trust had delivered its promise of financial sustainability and clinical resilience and it was important that any response included the expectation that the Trust maintained this promise. The response could also include the Council's concerns and if the response opposed the merger an alternative solution should be offered as the response needed to be more than a list of concerns.

The Cabinet was informed that clinical resilience would not be maintained without the merger and that there were no reduction planned in the services delivered at Hinchingsbrooke Hospital, long-term the services offered would increase. As the Council was not a statutory consultee it was accepted that the Council's response was unlikely to have a great influence. However, it should be clear that there was support for Hinchingsbrooke Hospital.

Having considered the comments and recommendation of the Overview and Scrutiny Panel (Communities and Environment) the Cabinet,

RESOLVED

- i. that the Chairman of Overview and Scrutiny Panel (Communities and Environment), Executive Councillor for Leisure and Health, Executive Leader and Managing Director meet as a matter of urgency; and
- ii. that the matter be deferred to the Overview and Scrutiny Panel (Communities and Environment) to enable the Panel to convene a Task and Finish Group to undertake a critical analysis of the Full Business Case, to formulate a proposal to the Cabinet as to whether the Council should support the Merger and its suggested response.

50. OUSE VALLEY WAY - MANAGEMENT GROUP

The Cabinet considered a report (a copy of which is appended in the Minute Book) to appoint the Executive Councillor with responsibility for the Countryside Service to the recently established Management Group for the Ouse Valley Way.

The Ouse Valley Way long distance footpath was established approximately 26 years ago in Huntingdonshire by Huntingdonshire District Council working in co-operation with Cambridgeshire County Council and landowners. The Ouse Valley Way formed part of a 150-mile footpath from Syresham in Northamptonshire, through Huntingdonshire to the sea at King's Lynn.

As there was no formal documentation when the section was established in Huntingdonshire that confirmed roles and responsibilities between the District Council, Cambridgeshire County Council and landowners, on an informal basis the District Council had managed the Huntingdonshire part of the route by mowing the vegetation and maintaining landowners' hedges to provide safe and comfortable access for the public.

However, these arrangements were not sustainable for the Council and following a review, future roles and responsibilities for the Ouse Valley Way had been agreed and were listed within paragraph 2.5 of the submitted report.

An Annual Management Plan to structure the work of the partners against the redefined roles and responsibilities had been developed and to oversee the delivery of the Plan a Management Group involving the District Council, Cambridgeshire County Council and six Parish Council representatives had been established, the Terms of Reference for the Management Group were appended to the submitted report. Whereupon the Cabinet,

RESOLVED

that the Executive Councillor with responsibility for the Countryside Service be appointed to the recently established

51. RE:FIT PROGRAMME - ENERGY CONSERVATION MEASURES FOR ONE LEISURE SITES

Having previously considered the matter at its meeting on 22 September 2016, Minute No.44 referred, and deferred progression of the Re:Fit Programme until the lease situation at the One Leisure sites had been resolved, the Cabinet were presented with a report by the Head of Operations (a copy of which is appended in the Minute Book), the Re:Fit Programme having been reviewed to address Member concerns.

The report presented a proposal to mitigate the risk associated with the unsigned leases at One Leisure St Neots and One Leisure Huntingdon (Dry-side) and to alleviate the uncertainty over the possible redevelopment of One Leisure Ramsey.

It was explained that following discussions, Bouygues Ltd had proposed that Call-Off Contract 2, the contract covering the delivery of the energy conservation measures, be amended to include an exclusion clause which would mean that should the leases not been agreed for St Neots or Huntingdon Dry-side by 1 March 2017, the sites would be removed from the project.

The proposed exclusion clause allowed the Council to progress the Re:Fit project and to realise the savings which have been built into the Medium Term Financial Strategy for the One Leisure budget, whilst protecting the Council from investing in One Leisure sites with an uncertain future.

Owing to a possible redevelopment of the Ramsey Abbey School site, it was recommended that One Leisure Ramsey be removed from the scope of the Re:Fit programme.

The financial savings from the Re:Fit programme of £109,000 over the next 3 years had already been included into the Medium Term Financial Strategy, having been identified during the Zero Based Budget review for Operational Services. With the exclusion of Ramsey from the programme the savings would be reduced to £84,000.

It was confirmed that there were no other Capital projects that would provide the same rate of return for savings as the Re:Fit programme.

In response to a question it was explained that the original payback period including One Leisure Ramsey was 9.45 years and with the removal of One Leisure Ramsey it reduced the payback period to 9.41 years. The Cabinet were referred to Table 1 as contained in paragraph 3.3 of the submitted report which detailed the revised Capital cost, annual cost savings and return on investment for the Re:Fit Programme excluding One Leisure Ramsey. Whereupon the Cabinet,

RESOLVED

- i. to approve the signing of Call-off Contract 2 with an

exclusion clause for One Leisure Huntingdon Dry-side and One Leisure St Neots, both to realise savings at sites unaffected by lease issues and to give time to resolve outstanding lease issues; and

- ii. remove One Leisure Ramsey from the scope of the programme owing to a potential redevelopment of the Ramsey Abbey School site incorporating the possible creation of a new leisure facility.

52. REVIEW OF FEES AND CHARGES - CAR PARKS

The Cabinet considered a report by the Head of Operations (a copy of which is appended in the Minute Book) regarding approval to consult on the proposed car park fees and charges

Car park charges were last reviewed three years ago, with the last increase being implemented on 1 April 2013. A revision of fees and charges was required to achieve the budgetary requirements identified within the Zero Based Budget process of £250,000. It was envisaged that the revised fees and charges would be effective as of February/March 2017 meaning that the current charges had not be amended for four years.

The current ticket machines were close to obsolete being difficult to repair. To facilitate the proposed fees and charges, upgrades were required to certain machines.

A strategic review was also scheduled in 2017 to assess current car parking provision, use and future needs with a focus on customer identified priorities; value for money; supporting market towns and future business, retail and housing growth.

The Cabinet were referred to paragraph 2.1 of the submitted report that detailed car parking charges in comparison with the Council's family of authorities as identified by the Chartered Institute of Public Finance and Accountancy. It was noted that even with the proposed increase in charges the Council would continue to rank as the lowest charging authority.

Within the revised car park fees and charges schedule the Cabinet were advised that a 'zero' charge was proposed to be introduced for the initial hour of parking at the Riverside Car Parks in Huntingdon and St Neots, specifically to promote recreational use of the adjacent parks.

Referring to the comments of the Overview and Scrutiny Panel (Economy and Growth) specifically the recommendation that a Task and Finish Group be established to review car park fees, it was suggested that the Panel had the option to have already convened this work.

Having been invited to address the Cabinet, the Chairman of the Overview and Scrutiny Panel (Economy and Growth) explained that the Panel accepted that the increase in car park fees and charges was necessary for the sake of the budget and that some of the issues raised amongst the Panel had been resolved within the report to the

Cabinet.

The Panel agreed that formal consultation on the proposed increase in car park fees and charges commence and noted that the suggestion of a Task and Finish Group was to enable consideration of a wider brief, allowing consultation with national bodies such as the National Association of British Market Authorities.

In addition to the recommendation detailed within the report, the Cabinet agreed that the strategic review of car parking would be conducted by the Head of Operations, the Executive Councillor for Operational Resources assisted by the Overview and Scrutiny (Economy and Growth) Panel. Whereby it was,

RESOLVED

- i. That formal consultation be undertaken on the proposed fees and charges as detailed in Paragraph 10.2, Table 5 of the submitted report; and
- ii. That a strategic review of car parking be conducted by the Head of Operations, the Executive Councillor for Operational Resources assisted by the Overview and Scrutiny (Economy and Growth) Panel.

Chairman