

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, 17 November 2016.

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

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors R Harrison and J M Palmer.

ALSO IN ATTENDANCE: Councillor R West

53. MINUTES

That the Minutes of the meeting held on 20 October 2016 were approved as a correct record and signed by the Chairman.

54. MEMBERS' INTERESTS

At the commencement of Minute No. 60, Councillor D Brown declared a non-statutory disclosable interest by virtue of being a Member of, and the Mayor of, Huntingdon Town Council.

Prior to the consideration the item of business regarding Contractual Arrangements and Potential Improvement Programme, Hinchingsbrooke Country Park, Minute No. 63 refers, Councillor S Criswell declared a non-statutory disclosable interest by virtue of being a Cambridgeshire County Councillor.

55. INTEGRATED PERFORMANCE REPORT 2016/17 - QUARTER 2

The Cabinet considered a report by the Corporate Team Manager and Head of Resources (a copy of which is appended in the Minute Book) and commented on progress against the Key Activities and Corporate Indicators listed in the Council's Corporate Plan for 2016/18 for the period 1 July to 30 September 2016. The report also incorporated progress on the current projects being undertaken at the Council and financial performance information as at the end of September.

Homelessness was noted as a key action with a red status. In line with the national picture homelessness was increasing and Officers were delivering short, medium and long-term actions to try to increase the supply of suitable homes and to move homeless households into sustainable homes.

Another key action with a red status was the number of days lost per full time employee due to staff sickness. The target to reduce staff

sickness absence was missed as a high level of long-term absence continued in Quarter 2. Managing sickness absence was a key priority for the Senior Management Team and as a result the absence triggers within the Sickness Absence and Attendance Procedure had been reviewed with the informal stage being removed from the Policy. There had been a significant amount of work invested to address this target and the Council remained committed at reducing sickness absence. It was reported that the Management was confident that for the same reporting period next year there would be an improvement in the target.

It was noted that increased sickness absence was also an issue for the Police Authority who were experiencing a similar number of days lost per full time employee with regard to operational staff.

In referring to Appendix C – Project Performance and those projects with a red status, the Cabinet agreed that the In Cab Systems Project be removed from the list having been informed that the project was unlikely to come to fruition as there was no bespoke system available to replace the existing manual process for logging waste collection issues. If the project remained on the list it would always be assigned a red status and it was therefore agreed that the project should be removed.

The Cabinet were referred to Appendix D of the report which detailed the Financial Performance Monitoring Suite information, in particular the Revenue and Reserve Forecast table. It was explained that the yearend forecast outturn revenue position for 2016/17 resulted in a saving against budget of £851,000 and the Appendix also provided explanations for the main variances across all services.

At 7.16pm, Councillor D Brown entered the meeting.

Regarding miscellaneous income debt it was explained that although the 2015/16 debt position indicated a large outstanding amount the majority of the debt was being collected via direct debit and would be paid by the end of the current financial year.

With regards to the New Homes Bonus, at the end of the current reporting cycle the Council was 36 units ahead of the target of 541 completions with a total of 577 new homes having been completed at the end of September. The impact of these additional units would appear in the 2017/18 figures. However, any growth might be effected by potential changes to the New Homes Bonus scheme that the Government was introducing.

During discussions the Cabinet agreed that although the report was comprehensive it should be revised to reduce the information contained within the report. A Cabinet Member having attended a recent Overview and Scrutiny Panel noted the time dedicated at the meeting to discussions on the actions with a green status. Revising the information contained within the report would enable discussions to focus on those actions assigned with either an amber or red status.

In considering the comments of the Overview and Scrutiny (Performance and Customers) Panel the Cabinet agreed that the siting of mobile homes at Alconbury and Wyton could be a potential

solution to address the homelessness issue and that this should be further investigated by Officers.

In response to the request from the Overview and Scrutiny Panel that details of the budget proposals be presented to the Panel before the budget was agreed by Council, the Managing Director would discuss the budget with the Panel prior to the final decision being taken in February.

Whereupon it was

RESOLVED

That the Cabinet

- i. Considered and commented on progress made against Key Activities and Corporate Indicators in the Corporate Plan and current projects, as summarised in Appendix A and detailed in Appendices B and C of the submitted report;
- ii. Considered and commented on the Council's financial performance at the end of September, as detailed in Appendices D and E of the submitted report; and

RECOMMENDS TO THE PROJECT MANAGEMENT GOVERNANCE BOARD:

- iii. **Removal of the In Cab Systems Project from the list of current projects, as detailed in Appendix C of the submitted report.**

56. CAMBRIDGESHIRE AND PETERBOROUGH EAST ANGLIA DEVOLUTION

The Cabinet received a report by the Managing Director (a copy of which is appended in the Minute Book) to enable the Cabinet to endorse and approve a number of recommendations relating to a Combined Authority across Cambridgeshire and Peterborough area, with a directly elected Mayor.

Having already been discussed by the Council Meeting on 16 November 2016 (Minute No.44 refers), it was noted that East Cambridgeshire District Council had approved the recommendations at their Council meeting on 16 November 2016, the Cabinet at Fenland District Council were considering the recommendations the same day as Huntingdonshire and South Cambridgeshire District Council had deferred their Cabinet meeting due to IT difficulties.

The meeting of Council had allowed the Cabinet to have regard to the discussions of and the will of Council when considering whether to approve the recommendations as detailed in the Officer's report. Whereupon, the Cabinet

RESOLVED

- i. to consent to the Secretary of State making an Order to establish the Cambridgeshire and Peterborough Combined

Authority (Appendix 1A of the submitted report, circulated separate to the Agenda);

- ii. to consent to the Council being a constituent member of the Cambridgeshire and Peterborough Combined Authority with effect from the commencement date determined by the final Order;
- iii. to authorise the Managing Director, in consultation with the Leader of the Council, to consent to the final draft Order and associated documents, specifically:
 - a. to agree minor drafting amendments to the Combined Authority Order to be laid before Parliament;
 - b. to consent to the Council being included within the draft Parliamentary Order thereby reflecting this Council's decision;
- iv. to authorise the Combined Authority to have a power to issue a levy to the constituent Councils in respect of any financial year. (This will be subject to the inclusion of a unanimity clause in the Combined Authority constitution on this specific matter);
- v. to recommend to the Combined Authority that the costs of establishing the Combined Authority, holding the elections in May 2017 and running the Combined Authority (including Mayoral Office) for 2016/17 and 2017/18 are funded from the gain share grant provided by Government (as outlined in paragraph 13.9 of the submitted report);
- vi. to appoint the Executive Leader of Council to act as the Council's appointee to the Shadow Combined Authority and once established, to the Combined Authority;
- vii. to appoint Councillor D Brown to act as the substitute to the above (ref (vi));
- viii. to note the outcome of the public consultation on the establishment of the Cambridgeshire and Peterborough Combined Authority as outlined in paragraph 6.1 and 6.2 and Appendices 2A - 2D of the submitted report;
- ix. to note the timetable for the implementation of the Cambridgeshire and Peterborough devolution Order as summarised in paragraph 8.1 of the submitted report;
- x. to note the Government's response to the outline business case for Housing capital investment funds secured as part of the devolution deal as set out in Appendix 3 of the submitted report;
- xi. to agree in principle, for a protocol requiring the Council Executive Leader and the representative on the Overview and Scrutiny Committee to report to each meeting of Council setting out the activities and decisions related to their

respective roles within the Combined Authority; and

- xii. to request that the Chairman and Vice Chairman of the Corporate Governance Committee engage their fellow committee members with a view to devising and agreeing the wording of a protocol for inclusion in the Council's Constitution.

57. STREET CLEANSING - UPDATE REPORT

The Cabinet considered a report by the Operations Manager, presented in his absence by the Head of Operations (a copy of which is appended in the Minute Book) which provided an update on the street cleansing functions and outlined proposals to realign the service delivery arrangements, following the operation of the Service Specification for Street Cleansing, approved by the Cabinet on 21 January 2016 (Minute No. 75 refers).

In response to a question regarding the efficiency of the Highways Team taking responsibility for the cleansing of laybys, arterial routes and the A1/A14, it was explained that relations between the District and County Councils were improving to ensure that street cleansing work was completed simultaneously, for a more satisfactory outcome.

It was noted that the litter on the verges of the A1/A14 did not provide a good impression for people visiting the district and as a significant proportion was from fast food outlets it was enquired whether there was any obligation that the Council could impose on the fast food outlets to litter pick. It was explained that Government guidance had been revised as previously a fast food outlet could be enforced to clean up within 150 metres of its premises boundary.

It was noted that pre-printed forms were available for Councillors to report any witnessed incidents of littering from vehicles.

Referring to the comments of the Overview and Scrutiny (Communities and Environment) Panel it was reported that the incidences of streets where gullies could not be cleansed due to parked cars related to Longsands in St Neots and this had since been actioned.

The issue of flyposting was an ongoing issue particularly in St Neots and the Council would remove graffiti and flyposting if it was offensive or on a public building.

The Cabinet concurred with the view of the Panel that greater education was required in order to tackle the culture of littering as providing additional litter bins was not the solution. A high profile campaign was intended to be discussed at a future date.

In echoing the sentiments of the Panel in congratulating the Street Cleaning Team Staff for their commitment, the Cabinet

RESOLVED

to endorse the proposed re-alignments of street cleansing service delivery arrangements as detailed within the submitted report.

58. TREASURY MANAGEMENT 6-MONTH PERFORMANCE REVIEW

By way of a report from the Head of Resources (a copy of which is appended in the Minute Book) the Cabinet were updated on the Council's treasury management activity for the first six months of the year, including investment and borrowing activity and treasury performance.

Best practice and prescribed treasury management guidance required that Members were informed in respect of treasury management activity. All treasury management activity undertaken during the first half of 2016/17 complied with the Chartered Institute of Public Finance and Accountancy Code of Practice and relevant legislative provisions.

The investment strategy was to invest any surplus funds in a manner that balanced low risk of default by the borrower with a fair rate of interest. The Council's borrowing strategy permitted borrowing for cash flow purposes and funding current and future capital expenditure over whatever periods were in the Council's best interests.

The Cabinet were referred to Appendix E of the report which detailed the Commercial Investment Strategy (CIS) Indicators relating to investments during the first half of 2016/17 and those investments made in 2015/16. The two investments during the first half of 2016/17 included Wilbury Way, Hitchin and Shawlands Retail Park, Sudbury for a total of £9.20m, the funding for which was taken from the CIS earmarked reserve.

Potential CIS investments were being continually investigated and it was noted that Appendix E also included a summary of 34 potential CIS opportunities that were considered and if not pursued the reasons why. In response to a question it was explained that returns from the CIS portfolio represented a higher return than those from financial institutions and in addition offered a less risky investment being supported by a physical asset. The Council was confident that it had invested in the correct CIS assets and was doing an outstanding job with the resources that it currently had. Whereupon, it was

RESOLVED

that the Cabinet notes the Treasury Management performance for the first six months of 2016/17; and

RECOMMENDS

the Treasury Management 6-month performance report to Council for consideration.

59. COMMERCIALISATION

By way of a report by the Corporate Director Services (a copy of which is appended in the Minute Book) the Cabinet considered a number of recommendations to enable the Council to provide services to third parties through its own trading company and/or in

partnership with the private sector including the establishment of a Commercial Business Development Team as part of its transformation programme to ensure any commercial activities were accessed, planned and managed properly.

The report recommended that the Council establish a Local Authority Trading Company with one share for the sum of £100K. The money would be used to establish the company and for any external advice as required on branding, insurance, legal and financial matters of taxation. In addition it would be used to evaluate the viability of proposals to form a new Commercial CCTV Joint Venture with a private sector provider to generate income from the sale of CCTV and associated monitoring services from the Huntingdonshire CCTV Control Room.

The Cabinet were referred to the sixth recommendation contained within the report regarding the procurement of a private partner to provide CCTV technology and maintenance services through a call-off framework and it was envisaged that a private partner would be appointed by March 2017. The proposed timetable for this process was included within the report and by entering a call-off framework there was no obligation for the Council to enter into a contract.

Any potential private partner would need to demonstrate that there would be sufficient income and revenue savings generated to reach a position of 'cost neutrality' for the CCTV service by March 2021.

In addition to the recommendations contained within the report it was requested that the Cabinet approve the outline Business Case, as detailed in Appendix 2 of the report. However, it was noted that a detailed Business Case would be presented to the Cabinet to approve prior to making a firm commitment to pursue the identified opportunities to generate income from selling advertising space on its fixed and mobile assets, and to create a CCTV and associated services partnership with the private sector.

In response to a question it was explained that the Council would make a cash investment of £100k for 100% shareholding in the Company which would be funded from the revenue budget.

In response to a question regarding progress reporting and the governance processes, it was explained that there would be a two stage governance structures adopted with the introduction of two boards, a Board of Directors featuring Executive and Non-Executive Members, and a Management Board led by the company Managing Director who would be an Executive Director of the Board. The Board structure of the Company would initially comprise four company directors, two from elected Members and two Council Officers.

The Company would follow the guidelines as set out by the Institute of Directors regarding Executive and Non-Executive roles and responsibilities. The details of the governance, delegated powers of the Directors and retained shareholder powers would be articulated in the shareholder agreement.

As a shareholder, the Council, through its representation on the Executive Board, was able to propose a special resolution for the

Board to consider.

A progress report would be presented to the Board of Directors and the Management Board but could also be presented to the Cabinet, Council or Overview and Scrutiny Panel as appropriate.

In considering the recommendations, the Cabinet agreed the additional recommendation as previously requested regarding the outline business case and also agreed that the Leader be authorised to nominate another Member to the board as Non-Executive Director subsequent to the meeting, following which the Cabinet

RESOLVED

- i. to delegate to the Corporate Director (Services) in consultation with the Executive Councillor for Strategic Partnerships and Shared Services authorisation to exercise the Council's powers granted under s.95 of the Local Government Act 2003 and/or sections 1 and 4 of the Localism Act 2011 to trade on commercial terms with other parties including Public, Private and third sector organisations through the establishment of a Local Authority Trading Hold Company together with associated or subsidiary companies where appropriate and prudent;
- ii. to delegate to the Corporate Director (Services) in consultation with the Executive Councillor for Strategic Partnerships and Shared Services the conclusion of the Articles of Association and Shareholders/Members Agreement(s) for final approval by the Company's Board of Directors;
- iii. to appoint the Executive Councillor for Strategic Partnerships and Shared Services to be a Non-Executive Director and the Chairman of the company and that the Leader be authorised to nominate another member to be on the board as Non-Executive Director;
- iv. that the Cabinet on behalf of Huntingdonshire District Council agree to purchase one ordinary share for the sum of £100K in the new general trading company;
- v. to approve a pan Council commercial operating policy (The Commercial Model) and a Commercial Business Development Team to be used as the sole methodology for evaluating all commercial activity, new propositions and trading with external organisations;
- vi. to delegate to the Corporate Director (Delivery), in consultation with the Executive Councillor for Strategic Partnerships and Shared Services, the procurement of a partner to provide CCTV technology and maintenance services through a call-off framework;
- vii. to delegate to the Corporate Director (Delivery), in consultation with the Executive Councillor for Strategic Partnerships and Shared Services, the sourcing of a partner to jointly deliver CCTV as a commercial joint venture company

(CCTVCo) to other organisations outside any existing shared services arrangements the Council may have;

- viii. to authorise the granting of indemnities against the potential personal liability for non-fraudulent acts or omissions undertaken in the course of their duties for such elected members or officers as were appointed by the Council to serve as Directors of the Local Authority Trading Company or CCTV pursuant to and in accordance with the terms of s265 of the Public Health Act 1875 and the Local Authorities (Indemnities for Members and Officers) Order 2004; and
- ix. to approve the outline Business Case, as detailed in Appendix 2 of the submitted report.

60. ASSET EXCHANGE BETWEEN HUNTINGDONSHIRE DISTRICT COUNCIL AND HUNTINGDON TOWN COUNCIL

At the commencement of the item Councillor D Brown declared a non-statutory disclosable interest by virtue of being a Member of, and the Mayor of, Huntingdon Town Council.

The Cabinet considered a report (a copy of which is appended in the Minute Book) to consider the transfer of assets being One Leisure Huntingdon and the Medway Centre between the District Council and Huntingdon Town Council, including a £300k contribution to equalise the property valuation difference and the provision of an interest free loan to the Town Council.

It was explained that currently One Leisure Huntingdon was owned by Huntingdon Town Council but leased to, and operated by the District Council. Whereas the Medway Centre was owned by the District Council but leased to, and operated by the Town Council. The arrangements were preventing the development of each site and therefore the provision of effective services to its customers and residents.

Consequently, over a period of time both the District Council and Town Council had been seeking a mutually acceptable solution to transfer the freehold of the respective assets to which was presented to the Cabinet. It was reported that Huntingdon Town Council had considered the proposal and had accepted the terms of the agreement.

In response to a question regarding the justification for the recommendations in the report for a £300k cash contribution by the District Council to the Town Council and a loan of £800k to the Town Council for a period of up to 5 years, the Cabinet were referred to Appendix 2 of the report which detailed the financial analysis of the exchange of assets between to two Councils, which explained the reason for the £300k cash contribution. The figure having been obtained following an independent valuation report, the conclusions being that One Leisure Huntingdon (dry side) was valued at £1.4m and the Medway Centre was valued at £0.665m.

Subject to relevant and appropriate security the Council would provide a £800k loan from the Public Works Loan Board to enable the

Town Council to enhance the current community hall provision, the interest for which would be charged to One Leisure. It was reported that Huntingdon Town Hall was the security levied against the loan.

The Cabinet noted that in order to modernise One Leisure Huntingdon the Council needed to invest approximately £800k capital. However, was reluctant to commit investment without security over tenure or the freehold of the property. The transfer of the One Leisure Huntingdon and the Medway Centre between the Councils would result in two modernised facilities for the residents of the District. It was further noted that the transfer of the assets was appropriate as the Councils would now be operating facilities appropriate to their levels of expertise.

In agreeing that the report was fantastic news and congratulating the Members, Officers and the Town Council involved in the long protracted negotiations, the recommendations were put to the vote and the Cabinet (Councillor D Brown having abstained)

RESOLVED

- i. to transfer the freehold title of the Medway Centre, Medway Road, Huntingdon to Huntingdon Town Council at £1 (if requested);
- ii. to accept the freehold title of One Leisure Huntingdon, St Peters Road, Huntingdon upon transfer from Huntingdon Town Council at £1 (if requested);
- iii. to make a contribution of £300,000 to Huntingdon Town Council, to be restricted to use on capital expenditure (payment being at the point of asset transfer);
- iv. to finance the £300k contribution (ref (iii) above) from the current 2016/17 forecast underspend. If not available at the year-end, then from the Special Earmarked Reserve;
- v. subject to relevant and appropriate security, to grant a concessionary (soft) loan to Huntingdonshire Town Council of £800k for a period of up to 5 years at 0.25% or less (whatever the minimum interest is legally allowed);
- vi. to finance the £800k loan by way of external finance from the Public Works Loan Board; and
- vii. to charge, over the life of the loan (ref (vi) above), the interest to One Leisure (estimated cost over 5 years being £24.2k).

61. CORPORATE PEER CHALLENGE

The Cabinet received a report by the Managing Director (a copy of which is appended in the Minute Book) to which was attached the Action Plan that had been devised based on the twelve recommendations of the Local Government Association (LGA) Peer Challenge Team.

Members had been acquainted with the outcome of the Corporate Peer Challenge at the Council Meeting on 19 October 2016 (Minute No. 37 refers), following which the Action Plan had been devised.

In referring to 3.d. of the Action Plan 'Use the Making Assets Count programme to maximise benefits from co-location or better use of existing assets', it was explained that the action required further

consideration as to how progress would continue as a result of the cessation of the Making Assets Count programme.

Having considered the comments of the Overview and Scrutiny (Performance and Customers) Panel, the Cabinet

RESOLVED

- i. to approve the proposed Action Plan; and
- ii. that future monitoring of the Action Plan be the responsibility of the Project Management Governance Board with scrutiny from Members as part of the Integrated Performance Report.

62. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

that the press and public be excluded from the meeting because the business to be transacted contains information relating to the financial or business affairs of any particular person (including the authority holding that information); and information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.

63. CONTRACTUAL ARRANGEMENTS AND POTENTIAL IMPROVEMENT PROGRAMME, HINCHINGBROOKE COUNTRY PARK

Prior to the consideration of the item of business Councillor S Criswell declared a non-statutory disclosable interest by virtue of being a Cambridgeshire County Councillor.

The Cabinet gave consideration to an exempt report by the Head of Operations (a copy of which is appended in the Minute Book) regarding the contractual arrangements and potential improvement programme at Hinchingsbrooke Park, as detailed within the submitted report.

Having been invited to address the Cabinet, the Chairman of Hinchingsbrooke Country Park Joint Group, Councillor R West explained that the Group acknowledged that the Park was much more than a community asset – it was a prime green space that included a significant area of biodiversity that required sensitive management and protection, as well as providing a variety of recreational and nature conservation activities. It was further explained that as a registered charity the support of the Friends of Hinchingsbrooke Country Park was vital as they were able to access grants for various projects to improve facilities throughout the Park.

The Hinchingsbrooke Country Park Joint Group had discussed the report at their meeting on 14 October 2016 (Minute No. 6 refers) and their comments were included within the report to the Cabinet including additional recommendations.

In addition to the significant revenue burden that the District Council incurred for the maintenance of the Park, the Council also invested considerable Officer time and effort in ensuring the Park continued to operate as a success.

In noting the contractual arrangements in place and their implications, and having considered the comments of both the Hinchingsbrooke Country Park Joint Group and the Overview and Scrutiny (Communities and Customers) Panel, the Cabinet endorsed the recommendations as contained within the exempt report, as amended including the recommendations by the Group, whereupon the Cabinet (Councillor S Criswell having abstained from the vote)

RESOLVED:

to endorse the recommendations as contained within the submitted exempt report, including the additional recommendations to the Cabinet.

Chairman