

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (PERFORMANCE AND CUSTOMERS) held in Civic Suite 0.1B, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Wednesday, 14th June 2017.

- PRESENT: Councillor D M Tysoe – Chairman.
- Councillors Mrs B E Boddington, R C Carter, S Greenall, Mrs R E Mathews, J M Palmer, Mrs D C Reynolds, M F Shellens, Mrs S L Taylor and R J West.
- APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors K M Baker and Mrs L A Duffy.
- IN ATTENDANCE: Councillors D Brown, S Cawley and M Francis.

4. MINUTES

The Minutes of the meetings held on 1st February 2017, 6th March 2017 and 17th May 2017 were approved as a correct record and signed by the Chairman.

5. MEMBERS' INTERESTS

Councillor D M Tysoe declared a non-pecuniary interest in relation to Minute Number 14, as he has friends who work at the college.

6. NOTICE OF KEY EXECUTIVE DECISIONS

The Panel received and noted the current Notice of Key Executive Decisions (a copy of which is appended in the Minute Book) which has been prepared by the Executive Leader for the period 1st June 2017 to 30th September 2017.

7. TRANSFORMATION REPORT - PUTTING OUR CUSTOMERS FIRST

With the aid of a report by the Managing Director (a copy of which is appended in the Minute Book) the Transformation Report – Putting Our Customers First was presented to the Panel. The Executive Councillor for Transformation and Customers was in attendance to present the report.

Members were informed that the report was the first six monthly report on Transformation. The Executive Councillor added that he recognised that some Members are not happy with the term customers and suggested that the term citizens would be better.

A Member noted that the report states that staff resources are to be redeployed and enquired if there are to be redundancies in the future.

In response the Panel were informed that the programme is running on existing resources and staff have been seconded from their existing teams. The Council are hoping to take as many staff as possible through the process of transformation. The Executive Councillor stated he could not comment on the possibility of redundancies.

The question of how does the Transformation programme fit in with the closure of the customer service centres in Ramsey, Yaxley and St Neots, in particular the mantra of 'starts with the customer ends with the customer' was raised. In response the Executive Councillor stated that the closure of the customer service centres was identified by the Zero Based Budgeting exercise and then ratified by the budget process. Members were told that the reason for this was that a small percentage of customers use the centres and this becomes fewer and fewer as the years progress. The Council are responding to the different ways that customers want to interact with the Council. Staff at the customer service centres have identified alternative routes for vulnerable customers to interact with the Council.

In response to the question are the Council making progress in respect to ICT, the Executive Councillor stated that the website has won awards and that there is a three year programme in progress which will see improvement in the ICT service.

The Executive Councillor informed the Panel that the Council are reviewing at a different operating model. The Councils current structure creates silos and doesn't encourage collaboration and flexibility, whereas Transformation will create a more cross cutting model. This is particularly important when considering the impact in how customers interact with the Council.

A Member asked if Transformation will introduce an effective complaints procedure and in response the Panel were informed that currently Transformation is looking at who the Council are today, who is the customer, what they want and then build what they want. The Member responded that they thought it was important that the Council gets the complaints procedure correct and that it should be at the top of the agenda.

The Panel questioned whether the cost of hiring external specialists is more than the skills the Council have had previously with former Members of staff. In response Members were informed that the Council wanted to train project managers however the Council did not have that skill internally so brought in a specialist to train people to become project managers.

It was asked where is the framework for the main principles so that Members know that the principles are being met. In response Members were informed that as the operating model is designed the matrix will be developed.

In response to a question regarding the budget, the cost and expected savings for the Transformation programme were discussed.

8. COUNCIL TRADING COMPANY - SHAREHOLDER AGREEMENT, ARTICLES OF ASSOCIATION AND COMMERCIALISATION UPDATE

With the aid of a report by the Managing Director (a copy of which is appended in the Minute Book) the Council Trading Company – Shareholder Agreement, Articles of Association and Commercialisation Update was presented to the Panel.

The Executive Councillor for Commercialisation and Shared Resources was in attendance to inform Members that the commercialisation agenda is progressing and that the business plans for the commercialisation of the Document Centre and the CCTV service will be presented to the Panel in July 2017. The Panel were informed that in order to progress commercialisation the Cabinet have to approve the shareholder agreement and the articles of association.

The Panel were informed that the Executive Councillor, Councillor Mrs S J Conboy, the Managing Director and the Corporate Director (Services) will be non-executive Directors of the company.

In response to a query, the Panel were informed that it is hoped with the right partner the Document Centre revenue will increase ten-fold. There is the potential that the partner could bring new technology into the partnership. It is hoped that the service and the CCTV service will become cost neutral.

A Member asked are the Council planning to recruit new staff or bring in existing staff from partners. In response Members were informed that existing staff will be used although a need for a Commercial Manager has been identified.

Following the question would the commercial partner be offered shares, the Executive Councillor replied yes however it would be on a 50-50 basis but and that would depend on what the partner brings into the partnership.

In response to the question can the Executive Councillor give the Panel assurance that due diligence has been undertaken, Members were informed that due diligence has been done as the documents have been through two solicitors and the 3Cs legal service.

The Executive Councillor stated in response to the question can reassurance be given that there is enough skills amongst the non-executive Directors, that there is enough skills and where there isn't the Managing Director will be given the authority to appoint additional Directors depending on the requirement of skills.

The Panel welcomed the appointment of Councillor Mrs S J Conboy as a non-executive Director as a good example of cross-party working.

Despite the assurances given by the Executive Councillor, some Members remain concerned about the commercialisation agenda and in particular working with partners. The Panel stated that the Council has to ensure that it gets a fair share of the income generated from commercialisation.

Concern was raised that the authority to appoint additional Directors would be vested in one individual. As such the Panel agreed that two further recommendations will be put to Cabinet, they are:

- a) the Cabinet appoints the Managing Director as the first company Director, and
- b) the Cabinet delegates authority to the Board to appoint additional Directors.

(At 7.24pm, during the discussion of this item, Councillor S Cawley left the meeting and did not return.)

9. PROPOSED USE OF BUILDING FOUNDATIONS FOR GROWTH (CAPITAL) GRANT UNDERSPEND

With the aid of a report by the Economic Development Manager (a copy of which is appended in the Minute Book) the Proposed Use of Building Foundations for Growth (Capital) Grant Underspend was presented to the Panel.

Members were informed that whilst there are four options listed within the report practically there are only two options. Option 1 which the Council will make loans available at the predetermined European Union (EU) commercial rates for capital projects on the Enterprise Zone and Option 4 of providing Grants to small and medium sized enterprise (SMEs) that meet certain State Aid complaint conditions. The Panel were informed that the preferred option is option 1. The Head of Development stated that there is also Option 5 which is to do nothing however this is not recommended by Officers.

In response to a question are the Council still seeking legal advice, Members were informed that once an option has been selected the Council will seek legal advice to ensure due diligence has been done.

Following a question in regards to what will happen with the money when the loans are paid back Members were informed that Option 4 would become attractive to encourage small businesses. The Panel suggested making the decision to use Option 4 for the proceeds now however it was explained that as the loans won't be paid back for 10 years the need for a decision won't be until then.

(At 7.42pm, during the discussion of this item, Councillor D Brown left the meeting and did not return.)

10. INTEGRATED PERFORMANCE REPORT 2016/17 - QUARTER 4

With the aid of a report by the Head of Resources and the Corporate Team Manager (a copy of which is appended in the Minute Book) the Integrated Performance Report 2016/17 Quarter 4 was presented to the Panel.

The Panel were informed that 78% of the Key Actions are green, 19% are amber and only 1 Key Action was red and in regards to the Corporate Indicators, 19% are red. In respect to the provisional

outturn net spend there is an underspend of £600k. There has been £7m spent on the Capital Programme which is an underspend of £4m.

The Panel noted that no Executive Councillor was in attendance for this item and stated that it would be good to have one in attendance.

Concern was raised that the target for the average time between the date of referral of Disable Facilities Grants (DFGs) to practical completion for minor jobs up to £10k has been missed. A total of 58 were completed within the 28 week target and this represents 34.7%. A Member asked is this the standard for the County or just Huntingdonshire. In response Members were informed that a report outlining the detail will be presented to Overview and Scrutiny Panel (Communities and Environment) in July. In addition the Panel was informed that for smaller DFGs the target is less in South Cambridgeshire and Cambridge City.

A Member expressed concern that income for One Leisure was down on the previous year. It was noted that this was because there was a bundling of gym memberships which has since proved unpractical.

In response to a question regarding the need for capital money to be spent at One Leisure the Panel were informed that that for any capital programme there is a business case put forward and only when the business case has been approved can capital money be spent. In regards to the 3G pitches at St Neots the Head of Resources stated that as the Section 151 Officer he is not prepared to invest money into a leisure centre where the Council don't have a 20 year lease.

Following a query, the Finance Manager agreed to research has more money been spent on homelessness related housing benefits and where has the money been spent. In addition the Finance Manager agreed to find out how many 3rd Floor Multi-story Car Park licences have been sold.

In regards to the Zero Based Budgeting reds and the impact it will that have on this year's budget, the Panel were informed that where known beforehand the non-savings were incorporated into this years' budget which has since been approved.

11. DEBT MANAGEMENT POLICY

With the aid of a report by the Finance Manager (a copy of which is appended in the Minute Book) the Debt Management Policy was presented to the Panel.

Following the question of when will the Policy be implemented, the Panel were informed that once the Policy is approved by Cabinet it will get implemented.

A Member asked that once the Policy is in place would the Council act more harshly than before and there would there be the flexibility to act on a case by case basis. In response the Panel was informed that under the Policy, the Council will have the option to offer payment through instalments in certain cases.

In response to a concern that debt will be written off and that the Council will not have a record of it, Members were informed that there is a procedure in place to manage debt before reaching the Section 151 Officer to be written off (or the Executive Councillor for Strategic Resource in the case of debt over £5k).

In regards to when the debt is written off, the Panel were content with the explanation that debt is normally written off for accounting purposes and that a record of the debt is kept.

(At 8.20pm, during the discussion of this item, Councillors M Francis and M F Shellens left the meeting.)

(At 8.22pm, during the discussion of this item, Councillor M F Shellens returned to the meeting.)

(At 8.25pm, during the discussion of this item, Councillor M Francis returned to the meeting.)

12. TREASURY MANAGEMENT ANNUAL REPORT 2016/17

With the aid of a report by the Head of Resources (a copy of which is appended in the Minute Book) the Treasury Management Annual Report 2016/17 was presented to the Panel.

Following a question regarding bail in legislation, the Panel were informed that in the event of a failing (or likely to fail) banks, building societies and investment firms the cost of such failures are borne by the shareholders and creditors of the firm, rather than the taxpayers.

In response to a question is the Council confident that services continue to grow at the rate required, Members were informed that it may be the case that the Council might raise prices in the future to cover costs.

13. EXCLUSION OF 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).

14. AGREEMENT FOR TRANSFER OF LOAN

Consideration was given to a report by the Head of Resources regarding the agreement for the transfer of a loan. Following a couple of questions the Panel agreed that the Cabinet should approve the transfer of the loan.

15. ASSET DISPOSALS

Consideration was given to a report by the Head of Resources regarding asset disposals. The Panel expressed their disappointment that Ward Members had not been consulted before the submission of the report to the Panel.

A Member added that they would be disappointed if the Cabinet approved the disposal of the sites without consulting with Ward Members first.

The Panel recommends that the report is withdrawn from the Cabinet agenda to give the opportunity for Ward Members to be consulted.

16. RE-ADMITTANCE OF PRESS AND PUBLIC

RESOLVED

that the press and public be re-admitted to the meeting.

17. OVERVIEW AND SCRUTINY PROGRESS

With the aid of a report by the Democratic Services Officer (Scrutiny) (a copy of which is appended in the Minute Book), the Panel reviewed all the Panels' work programmes since the last meeting.

It was suggested that the Panel forms a Task and Finish Group on One Leisure specifically the finance and performance aspect of the service. The Chairman and Vice-Chairman agreed to discuss it further at the Joint Chairman and Vice Chairman meeting taking place in June 2017.

A Member suggested further investigation into the Transformation programme however the Panel recognised that Transformation was at an early stage and that Members should await for developments before deciding what to do.

The Head of Resources agreed to follow up the current status of the Social Value in Procurement item.

Chairman