

**Huntingdonshire District Council
Draft Annual Governance Statement
2018/19**

What is Governance?

Governance generally refers to the arrangements put in place to ensure that the intended outcomes are defined and achieved.

The Council approved a new local Code of Corporate Governance in July 2016. It is consistent with the seven principles set out in 'proper practice' for the public sector, namely 'Delivering Good Governance in Local Government: Framework' published by CIPFA/SOLACE¹.

The Council aims to achieve good standards of governance by:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing its capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The overall aim of the local Code of Corporate Governance is to ensure that:

- resources are directed in accordance with agreed policy and according to priorities.
- there is sound and inclusive decision making.
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

Underpinning the Code is the Council's commitment to equality of opportunity in its approach to policy-making, service delivery and employment.

Governance impacts

Traditionally this Statement has contained issues for which the Council is wholly responsible. During 2017/18 it became clear that there were a number of overarching issues that were regularly informing and influencing the budget, performance and service delivery discussions at both Member and Officer level (e.g. homelessness/working with partners to keep people in their own home/service transformation). Consequently an inward looking Statement did not feel appropriate as it did not address the risks that are of greatest potential impact to the authority and the achievement of its objectives.

Five themes were identified last year to reflect a more strategic outlook. The same themes remain in this year's Statement as they still continue to have the ability to severely impair the Council's financial position and consequentially, its ability to function (or indeed identifying new opportunities to be realised).

Progress made across the five themes in 2017/18 is outlined in the Statement together with the actions planned for 2018/19.

Opinion

After conducting a review of the governance arrangements across the Council and overall compliance with the Council's Code of Corporate Governance, we are satisfied that the arrangements are effective.

We are also satisfied that this statement allows the Council to meet the requirements of the Accounts & Audit (England) Regulations 2015, to prepare an annual governance statement to accompany the 2018/19 Annual Financial Report.

No signatures have been added to this draft Statement. The Statement will be reviewed prior to it being presented for approval at the 24 July 2019 Corporate Governance Committee (CGC). The review is undertaken to ensure that the Statement is reflective of the current governance arrangements. Following the review, and prior to CGC, it will be formally signed by the Executive Leader and Managing Director

Signature Councillor Graham Bull
Executive Leader

Signature Joanne Lancaster
Managing Director

Date to be inserted.
Signed on behalf of Huntingdonshire District Council

¹ The Chartered Institute of Public Finance & Accountancy (CIPFA) & Society of Local Authority Chief Executives & Senior Managers (SOLACE).

Themes

Housing Affordability

Leading to homelessness and constraining growth.

This issue is one which impacts on the Council's ability to deliver the Corporate Plan primarily through the escalating financial consequences of homelessness. Furthermore it also has a bearing on the mobility of the local labour market, on inward investment and business growth opportunities. For the Council as an employer it also hampers our ability to recruit and retain suitably experienced and qualified staff.

2017/18 actions		2018/19 actions
✓	Develop a more detailed understanding of the underlying causes of homelessness.	--
--	Complete a formal review of homelessness within the District to inform the development of an updated Homelessness Strategy.	✓
✓	Trialling new ways of working to spot opportunities for early intervention for those individuals whose circumstances mean that they are vulnerable to homelessness.	--
--	Develop and introduce pathways with other agencies to enable earlier interventions for those individuals whose circumstances mean that they are vulnerable to homelessness.	✓
✓	Developing new delivery options to secure affordable homes within the District, where necessary using Council assets to provide alternatives to the market delivery homes.	✓
✓	Work with the Cambridgeshire & Peterborough Combined Authority (CA) to develop local Community Land Trusts to bring forward genuinely affordable and local solutions.	--

2017/18 achievements

An homelessness early prevention pilot was introduced in April 2018. The pilot identifies at an early stage those who are in rented accommodation but may be at risk of homelessness due to their inability to find work and/or poor financial circumstances. A number of pathways have been developed with partners to support and assist residents.

The Council has reviewed how it can use Discretionary Housing Payments (DHP) to assist those who may be at risk of homelessness. There has been some innovation in the use of DHPs. For example, someone living in social housing and in rent arrears due to having their housing benefit payments reduced due to living in a property that had a spare bedroom (and classed as being under-occupied) have had their rent arrears paid and been moved to a smaller property. This freed up a property whilst reducing the possibility of future financial problems for the tenant.

A pathway has been established with Criminal Justice partners that allows for the early notification of the release of offenders so that potential employment opportunities and other appropriate support can be identified.

The Council is beginning to focus services around the need of the community. It is working in a multi-agency group alongside local residents in the Huntingdon North ward to identify those who are vulnerable and may become homeless. The group is supporting a number of community groups with the intention that residents can develop and take responsibility for these initiatives themselves.

The Council has provided support to the Greater Staughton Community Land Trust (CLT) who are planning to build 12 affordable houses in Great Staughton to which local people who have a connection to the Great Staughton parish area will be given priority.

Details of a number of surplus land sites have been provided to a developer with the intention of identifying both land values and to identify the potential number of affordable homes that could be built across these sites.

Outcomes from the 2017/18 Housing Strategy action plan were discussed by the Overview & Scrutiny Panel (Performance & Growth) in September 2018. Highlights include the 363 successful homelessness preventions during 2017/18 and the completion of 123 affordable homes.

Morbidity/Growing number of years of ill health

Impacting on people's ability to be self-reliant and generating additional cost through support needs.

Increasing pressures are being felt by many parts of the public service system, primarily through the growing demand on support costs, a rise in complex individual cases which cuts across many service providers, through such things as disabled facilities grants and personal care costs. This is not something that any single agency has ownership of, but requires joint working to deliver effective solutions focussing on wellbeing and life choices as well as housing, open spaces, transport infrastructure and the design of place.

2017/18 actions

- ✓ Use our leisure services to encourage healthier lifestyles through engaging people of all ages in activities to improve health.
- ✓ Pilot new ways of working within localities with local communities and other agencies to deliver tailored solutions to issues within defined communities.
- ✓ Create plans to encourage cycling and walking, and ensure that designs of new housing areas encourage active lifestyles.
- Pilot new ways of working within localities with local communities to deliver improved infrastructure that promotes cycling and walking
- Development of a 'Healthy Open Spaces Strategy' to optimise the provision and use of the Council's green open spaces, parks and play areas to encourage healthier lifestyles through engaging people of all ages in activities to improve health.

2018/19 actions

- ✓
- ✓
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- ✓
- ✓

2017/18 achievements

Business case approved for increasing the use of Hinchingsbrooke Country Park (HCP) and which will also allow it to become free from subsidy. An outline case for Paxton Pits has also been prepared. The business case seeks to secure and enhance open free space as a key route for activity for all residents as evidenced by over 500 people attending a free park run at HCP.

Through the Active Lifestyles team, a range of exercise initiatives and classes have been introduced for older people and those requiring additional support to exercise. In 2017/18 the team organised and delivered more than 3,700 physical activity or sport sessions attracting more than 45,000 attendances (19,700 older people and 20,400 long term health conditions). One notable success in 2017/18 was the introduction of a 'Care Home offer' leading to 124 exercise sessions delivered in partnership with local Residential and Care Home Providers.

The team also contributed to a public health led county wide strategic group tackling falls among older adults and were actively involved in a pilot scheme in St Ives. Continuing the theme of continuous improvement, 2018/19 also saw the introduction of classes for people with long term health conditions (including cancer patients, and postural stability which is a more specific, highly tailored falls prevention service). In January 2019 Active Lifestyles launched the ESCAPE² pain management rehabilitation programme aiming to help people with osteoarthritis and chronic joint pain, self-manage their condition.

With support from both the Design Council and Local Government Association that Council has been tackling significant levels of obesity in Ramsey through the Live Well initiative. This has been a challenging project and the benefits derived to date have not been as expected. Work is to continue into 2019/20.

Section 106 agreements continue to be negotiated with developers towards the provision of recreational spaces and their future up-keep. This has become more challenging as developers are frequently requiring that the Council show that there is a demonstrable demand for play provision in schemes before committing to S106 agreements.

External funding for the Countywide 'Let's Get Moving' initiative extended until June 2020. Let's Get Moving Cambridgeshire aims to improve the health of the Cambridgeshire population, by increasing levels of physical activity. This is done by promoting existing opportunities, developing new opportunities, and supporting individuals that require support to achieve their goals.

Urban & Civic, at the Council's behest, successfully applied to become a member of the NHS Healthy Towns Network. In developing the new communities at Alconbury Weald and Wintringham St Neots, Urban & Civic will incorporate healthy living initiatives for the benefit of future residents.

² ESCAPE Pain stands for Enabling Self-management and Coping with Arthritic Pain through Exercise. ESCAPE Pain is endorsed and supported by NICE, British Society of Rheumatology, Royal Society of Rheumatology, Royal Society of Public Health, Charters Society of Physiotherapy, Arthritis Research UK, Arthritis Research UK, and the Academic Health Science Network.

Wider economic environment

Impact of Commercial Investment Strategy/Business rates receipts and level of need from residents.

The Council's financial robustness is closely linked with the private sector, which also supports the delivery of one of its key Corporate Plan strategic priorities – delivering sustainable growth across the District. The Council is making tactical investments in the property market and is able to assist the private sector in many ways, but external factors such as market volatility will have a greater impact, which may in turn directly impact on the Council's financial plans and forecasts for new homes bonus, council tax and business rates incomes.

2017/18 actions		2018/19 actions
✓	Use the Council's Commercial Investment Strategy to support the local economy.	✓
✓	Maintain and enhance the Council's existing commercial estate to provide value accommodation for local businesses.	✓
✓	Work with local Business Improvement District (BID) teams and the CA to further stimulate economic growth within the District to ensure a pipeline of new and high value jobs in the major growth sectors.	--
✓	Refocus our economic development activity to support new and emerging sectors in our economy, to create the environment within which new business can thrive.	✓
--	Following the development of the Masterplan for St Neots, develop Prospectuses for Growth for St Ives, Huntingdon and Ramsey to focus on transformational interventions that can make the most of opportunities unique to each town and its community, creating new jobs, improving productivity and raising aspirations in and around each town'	✓
--	Delivery of the Council's Parking Strategy to increase dwell in the town centres and support local retailers.	✓
--	Development of a Markets Strategy with our local partners in those towns, to maintain vibrant markets within our valued market towns.	✓

2017/18 achievements

A Local Industry Strategy is being prepared by the CA with which the Council is collaborating. The strategy will consider how the Council can assist in developing both the local economic environment and a skilled workforce to work within it.

A 'Better Business for All' pilot is underway which has been developed via funding from the Ministry of Housing, Communities and Local Government (MHCLG). The pilot is a means by which the Council can engage with the local businesses and deliver the support they need to grow.

Property acquisitions have been made within the District under the Commercial Investment Strategy.

Principles for the distribution of business rates arising from properties in the Alconbury Weald Enterprise Zone have been agreed with the CA. This will lead to 60% of business rate growth being invested in the District.

A feasibility study is underway to consider whether businesses in St Neots should be given the opportunity to vote for their own Business Improvement District (BID).

Working with a number of partners the Council is involved in the St Neots Smart Town initiative. Whilst the initiative is at an early stage, the intention is that by using data and emerging technologies to address transport and connectivity challenges it will help provide information that will influence the behaviours of residents and businesses.

The Council is represented on the 'Connecting Cambridgeshire' (CoCam) Board which is in the process of investing approx. £25m in improving the digital infrastructure (superfast broadband, full fibre, public access wi-fi and 5G mobile coverage) across Cambridgeshire and which is a key factor for economic investment decisions by businesses. The key performance indicator targets set by CoCam are all currently being achieved.

Skills level and educational attainment

As a means by which residents are able to attract profitable work and in attracting employers to the area.

It is important that all young people are able to fulfil their potential and become active citizens with meaningful and valuable work. Furthermore the workforce within the area needs to be supported to continue to gain value employment and meet the demands for new skills in the labour market. In turn this will also contribute to the area's reputation for attracting inward investment and so grow and thrive. Finally, skilled and flexible workforces who possess digital skills will allow the Council to transform its current delivery models and offer new methods of service delivery.

2017/18 actions

- ✓ Fully develop and deliver a digital vision for Huntingdonshire, ensuring that we support the establishment of the basic infrastructure of superfast broadband and 5G mobile coverage through our own estates and the planning system.
- ✓ Support apprenticeships, directly as an employer, but also through our supply chain and through promotion with local businesses.
- ✓ Continue to engage with schools through local careers fairs and EDGE, but also through fostering direct links between employers and educational institutions.
- ✓ [2018/19] Build upon the [2017/18: *Develop a*] brand for Huntingdonshire to establish a reputation which will draw in investment and create an environment in which industries of the future can thrive

2018/19 actions

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- ✓
- ✓

2017/18 achievements

A review of the Council's apprenticeship programme has been completed. From 2019/20 the Council intends to stop recruiting to its current apprenticeship posts but use the apprenticeship levy to fund the training of its current employees. This is likely to see an overall increase in apprenticeship numbers.

Safeguarding training for taxi drivers has been provided.

Over sixty One Leisure employees have obtained or are being trained to become qualified lifeguards. Lifeguarding posts are an entry level position for many staff and obtaining the qualification is the first steps towards a career in the leisure industry.

The Council was represented at the third annual school careers fair at Wood Green in December 2018 and also supported its organisation.

Limited benefits have been obtained to date from suppliers delivering a social value benefit (i.e. creating opportunities for the long-term unemployed or other disadvantaged groups, apprenticeships or other environmental or community benefits) to the District when being awarded contracts of a significant value. The Council addressed this by introducing in February 2019 a requirement that social value considerations be including in all contracts over £100k.

All of the Council's apprenticeship cohort have found permanent employment either inside or outside of the Council.

Partner agency operational pressures

Financial challenges of partners impacting on demand for our services or reducing existing support.

There is evidence to suggest that as parts of the public sector reduce their input into communities, that the demand transfers to other agencies. In Huntingdonshire whilst partners work well together there continues to be the challenge of controlling additional demand and the corresponding budget pressures that it brings. Elsewhere financial pressures in one sector, have had significant financial and capacity impacts on the authority.

2017/18 actions

- ✓ Share budget planning activity with other public agencies to guard against unintended consequences of financial decisions.
- ✓ Continue to engage with near neighbours, particularly the County Council and health services to understand how best we can compliment each other's activity

2018/19 actions

- ✓
- ✓

2017/18 achievements

There was engagement with Cambridgeshire County Council about their proposed 2019/20 budget and the likely impact service cuts would have upon the District. The County Council understand that the Council is willing to work collaboratively both with themselves and other agencies to consider alternative ways of working.

The County Council were planning to remove £1m from their £7.5m Supporting People budget in 2019/20. Following representations from the Council and others the County agreed not to cut the service but work with the District authorities to consider alternative ways of providing housing related services.

The NHS has changed the way in which it defines whether or not it is responsible for the collection of 'sharps'. 'Sharps' that used to be collected by the NHS are now the responsibility of the Council to collect and dispose of. With increases in the number of type 1 diabetics and the self-administration of certain types of prescription drugs increasing people's health and well-being should see a reduction in 'sharp' collections.

In conjunction with other agencies, the Council is involved in looking to reduce the costs of responding to incidents of crime in the Huntingdon North ward which is estimated to cost the agencies £8m/annum to deal with.

The Assistant Director (Transformation) works from County Hall one day per month, alongside the County Council's transformation team. This provides an opportunity to influence each other's work plans as well as exploring joint working initiatives.

Representatives from both the Police and Public Health sector have spoken at the Managers Forum, outlining the financial and operational pressures they are facing.

From April 2017 the County Council's Public Health Team (PHT) withdrew its financial support for the Exercise Referral Scheme (ERS). The PHT had contributed to the costs of the ERS for a number of years allowing it to be provided free of charge to the client. The Public Health grant was circa £27,000 per annum effectively funding one full time Physical Activity Officer working across the District directly with clients. Attempts to secure replacement funding from the NHS were unsuccessful. The ERS has continued but with clients being charged to access.

How do we know our arrangements are working?

This statement builds upon those of previous years. Many of the key governance mechanisms remain in place and are referred to in previous statements which are available on the Council's website. The local Code of Corporate Governance (as at May 2018) is also available on the website and describes in more detail the governance processes in place.

The review of effectiveness was informed by the work of the Senior Management Team, who are responsible for the development and maintenance of the governance environment, the Internal Audit & Risk Manager's annual report and comments made by the external auditors.

Governance Framework

Assurance required upon	Sources of Assurance	Assurances received
<ul style="list-style-type: none"> • Delivery of Corporate Plan priorities • Services are delivered economically, efficiently & effectively • Management of risk • Financial planning and performance • Effectiveness of internal controls • Community engagement & public accountability • Shared service governance • Project management & project delivery • Procurement processes • Roles & responsibilities of Members & Officers • Standards of conduct & behaviour • Training and development of Members & Officers • Compliance with laws & regulations, internal policies & procedures 	<ul style="list-style-type: none"> • Constitution (incl. statutory officers, scheme of delegation, financial management and procurement rules) • Council, Cabinet, Committees and Panels • Corporate and service plans • Shared service joint committee • Policy framework • Risk management framework • Project management methodology • Financial Performance Monitoring Suite • Medium Term Financial Strategy • Customer Service Strategy • Consultation and Engagement Strategy • Complaints system • Head of Paid Service, Monitoring Officer and S151 Officer • HR policies & procedures • Whistleblowing & other countering fraud arrangements • Staff and Member training • Codes of conduct • Corporate/Senior Management Team • Independent external sources • Regular monitoring of outcome measures • Monitoring of economic indicators & associated financial receipts • Effective joint working arrangements 	<ul style="list-style-type: none"> • Regular performance and financial reporting • Annual financial report • External audit reports • Internal audit reports • Officer governance groups • On-going review of governance • External reviews and inspectorate reports • Customer feedback • Peer reviews • Council's democratic arrangements incl. scrutiny reviews and the 'audit' committee • Corporate Governance Committee annual report • Staff surveys • Community consultations

Two key pieces of assurance are provided by Internal and External Audit.

The Internal Audit & Risk Manager stated in their 2018/19 annual opinion that the Council's internal control environment and systems of internal control provided adequate assurance over key business process and financial systems. However the opinion excluded any view on the effectiveness of the key controls associated with the financial management system due to work in that area not being completed at the time of preparing the annual opinion statement.

The external auditors, Ernst & Young LLP, issued an unqualified opinion on both the 2017/18 statutory financial statements and the Council's arrangements for securing economy, efficiency and effectiveness (value for money) and in the use of its resources. This statement will be updated to reflect the outcome of the 2018/19 external audit once it has been completed.

End