

# CAM SIGHT

## Background

Cam Sight is a charity working with blind and partially sighted people within Cambridgeshire.

## Information

No. of representatives:	1
Meetings per annum:	4
Approved by:	Adults Committee
Guidance Classification:	Unincorporated Association Member
Representative for 2018/19:	Councillor C Boden (Con)

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## Report by Representative

### Councillor Boden

I have not received any information about Cam Sight or about any Board meetings which it may have held since being appointed when I was a Member of the Adults Committee. I have suggested that another Member who is a current member of the Adults Committee be appointed to this body if we feel it appropriate at member level to become involved in it.

# **FENLAND ASSOCIATION FOR COMMUNITY TRANSPORT (FACT) BOARD**

## **Background**

The purpose of the Board of FACT is:

- a) to monitor current progress to date, to have an overview of current services and provide advice where required, suggest improvements, and
- b) to steer FACT (and HACT, its parallel service in Huntingdonshire) towards meeting future need, including new initiatives, projects, potential sources of funding.

## **Information**

No. of representatives:	1
Meetings per annum:	4
Approved by:	Economy & Environment Committee
Guidance Classification:	Member of a Management Board of a “Registered Society” under the Co-operative and Community Benefit Society Act 2014

Representative for 2018/19:	Councillor C Boden (Con)
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## **Report by Representative**

### **Councillor Boden**

HACT and FACT are both Community transport providers. Together with ESACT (Ely & Soham Association for Community Transport), to which the County Council does not have nomination rights, these three organisations operate independently but under common control – the three organisations are commonly known as FHE (FACT/HACT/ESACT) and for ease of understanding this report will refer to FHE rather than to the constituent organisations.

I was appointed to the HACT and FACT part of FHE by E&E in August 2018. FHE was facing serious allegations including provision of false information to CCC and misuse of funds provided for Community Transport to subsidise commercial operations. External accountants produced a report for CCC which largely supported the allegations made.

It was clear that FHE required fundamental reform, both to deal with the allegations of past misdeeds and to be able to continue to provide its core Community Transport function.

The first steps were to improve the organisation’s governance. FHE sought, and obtained, a new, completely independent, chair whose experience and knowledge of both business and governance issues, particularly in Charities, shone through. An independently led Audit Committee was established, also led by someone without previous connection to the Organisations. A Joint Finance & General Purposes Committee was established to provide clearer separation of the roles of the trustees and the more effective oversight of day-to-day management of the organisations. Although I appreciate that detailed oversight of management functions is not the normal role of a Council appointee, given the apparent gravity of the situation that FHE was in I agreed to serve as one of the three members of the Finance & General Purposes Committee.

It had become clear fairly quickly that the financial records of FHE were confused and confusing.

Action was taken quickly to establish six separate bank accounts, covering the commercial and Community Transport activities of each of the three organisations within FHE.

A new accountant was employed (again, with no previous connection to FHE) who was instrumental in examining the financial and other records of the Organisations to inform the F&GP Committee as to the current financial position of each legal entity and to unravel at least some of what had happened in the past.

As a result of the early results of that examination of the financial records, the F&GP Committee called in the Police and gave the Police full co-operation in their investigation of matters to do with the past operation of FHE. It would be unhelpful for the ongoing Police investigation, for any possible criminal prosecution and for any civil recovery action that may be needed by FHE, to give any further information at this time other than that which has already been released to the public by the Police.

Our investigation of the accounting records made it clear that FHE had not acted properly in respect of at least some of the commercial contracts it had taken on. It appears to me that these contracts were not deliberately cross-subsidised from Community Transport funds – the accounting systems had been so poor that the previous management appear to have been unaware that these commercial operations were, in fact, being operated at a loss.

The Charity Commission had already been informed by the new management of FHE's initial concerns about the Organisations. At each step, the Charity Commission were both consulted and informed to ensure FHE moved forward appropriately in these difficult circumstances.

It became clear that FHE's commercial activities needed to be removed entirely from the three Organisations in the interests of both transparency and legality. Where timing allowed, FHE did not retender for further commercial contracts. Where the timing of existing commercial contracts did not permit this, negotiations with other operators facilitated commercial contracts being novated out of FHE.

Gillian Beasley has been kept informed of all significant developments within FHE since these matters came to light and has been most helpful in ensuring that appropriate action has been able to be taken at each stage.

The transformation of FHE is not yet complete, with further action being required to secure the long-term stability of supply of Community Transport services through rationalisation of FHE's legal structure into a single wholly Charitable organisation. Not all of the commercial contract consequences have yet been unpicked. Investigations into what occurred are continuing. But FHE is reaching a far more stable, transparent and legally compliant position, able to concentrate properly on future provision of local Community Transport services.

It's been an interesting and eventful eight months. It's been valuable to CCC to have Member involvement in FACT and HACT.

# **HUNTINGDON ASSOCIATION FOR COMMUNITY TRANSPORT (HACT) BOARD**

## **Background**

The purpose of the Board of HACT is:

- c) to monitor current progress to date, to have an overview of current services and provide advice where required, suggest improvements, and
- d) to steer HACT (and FACT, its parallel service in Huntingdonshire) towards meeting future need, including new initiatives, projects, potential sources of funding.

## **Information**

No. of representatives:	1
Meetings per annum:	4
Approved by:	Economy & Environment Committee
Guidance Classification:	Trustee of a Charity

Representative for 2018/19:	Councillor C Boden (Con)
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## **Report by Representative**

### **Councillor Boden**

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I was appointed to the HACT and FACT part of FHE by E&E in August 2018. FHE was facing serious allegations including provision of false information to CCC and misuse of funds provided for Community Transport to subsidise commercial operations. External accountants produced a report for CCC which largely supported the allegations made.

It was clear that FHE required fundamental reform, both to deal with the allegations of past misdeeds and to be able to continue to provide its core Community Transport function.

The first steps were to improve the organisation's governance. FHE sought, and obtained, a new, completely independent, chair whose experience and knowledge of both business and governance issues, particularly in Charities, shone through. An independently led Audit Committee was established, also led by someone without previous connection to the Organisations. A Joint Finance & General Purposes Committee was established to provide clearer separation of the roles of the trustees and the more effective oversight of day-to-day management of the organisations. Although I appreciate that detailed oversight of management functions is not the normal role of a Council appointee, given the apparent gravity of the situation that FHE was in I agreed to serve as one of the three members of the Finance & General Purposes Committee.

It had become clear fairly quickly that the financial records of FHE were confused and confusing.

Action was taken quickly to establish six separate bank accounts, covering the commercial and Community Transport activities of each of the three organisations within FHE.

A new accountant was employed (again, with no previous connection to FHE) who was instrumental in examining the financial and other records of the Organisations to inform the F&GP Committee as to the current financial position of each legal entity and to unravel at least some of what had happened in the past.

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# ISLE OF ELY SOCIETY FOR THE BLIND

## Background

Provides advice and support to people with low vision and their families. Undertakes lunch clubs, outings and bowling events.

## Information

No. of representatives:	1
Meetings per annum:	4
Approved by:	Adults Committee
Guidance Classification:	Unincorporated Association Member

Representative for 2018/19:	Councillor C Boden (Con)
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## Report by Representative

### Councillor Boden

This relatively small Society provides a most valuable lifeline to its members who are mostly in the north of the County. I have, in a capacity outside Cambridgeshire County Council, had contact with this organisation and have been impressed by its commitment to its members. Unfortunately, as a County Councillor, I have not received any information about the Ely Society for the Blind or about any Board meetings which it may have held since being appointed when I was a Member of the Adults Committee. I have suggested that another Member who is a current member of the Adults Committee be appointed to this body as I feel it appropriate at member level that we are involved in the very valuable work this small Society undertakes.

# **LGSS LAW LIMITED**

## **Background**

Company jointly owned by Northamptonshire County Council and Cambridgeshire County Council to provide legal services to the owner councils and to other organisations within the public sector and not for profit sector.

## **Information**

No. of representatives:	1 (Consultee member)
Meetings per annum:	4
Approved by:	General Purposes Committee
Guidance Classification:	Other Public Body Representative (Council's representative on a company it part owns)

Representative for 2018/19:	Councillor C Boden (Con)
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## **Report by Representative**

### **Councillor Boden**

LGSS Law Ltd provides legal services to CCC, to Northamptonshire County Council (NCC) and to Central Bedfordshire Council (CBC). The governance structure of LGSS Law Ltd is unusual. The Limited Company is jointly owned by CCC, NCC and CBC. There are two "internal" Executive Directors together with each of the three shareholder Councils providing an Officer as a Directors. Finally, Member involvement and oversight is maintained through three "Shareholder Members", being one Councillor from each of the three shareholder Councils. The Shareholder Members protect both the Councils' interests as shareholders and the Councils' interests as the company's major customers.

There are two fundamental concepts behind LGSS Law Ltd. The first is that the combination of three large Councils' legal services within one organisation provides both economies of scale and additional resilience, to mutual benefit. The second is that the financial interests of the shareholder Councils can be enhanced through supplies of legal services to other public sector bodies, charged at commercial rates. I believe these two fundamental concepts remain sound.

LGSS Law Ltd has, however, faced three major challenges. The first was that financial record keeping in previous years was not sufficiently rigorous, leading to difficulties in reconciling invoicing records between the Company and each of its constituent Councils. The second was that management of the day-to-day operation of the company had been insufficiently tightly controlled leading to operational inefficiencies. The third was that one of the constituent Council shareholders is NCC, and the precarious position of NCC affected LGSS Ltd both reputationally and in terms of future planning for the period after NCC will be abolished.

The three Member Shareholders have worked surprisingly well together in this unusually-structured organisation. We collectively, and unanimously, agreed the appointment of a non-Executive Chairman who is already providing appropriate challenge and support to the Company's management. We also required direct reporting to be made to the Shareholder Members of the ongoing efforts to resolve the problem of

reconciliation of prior years' invoices and payments, to ensure that this long-running problem moved more quickly towards resolution. Subject to any further Government intervention in NCC, the direction of travel of the Company post-NCC has also become much clearer.

Once NCC is abolished, the position of LGSS Law Ltd will become far clearer to the outside world, permitting continued expansion of third party work charged at commercial rates for the benefit of what will then probably be the four constituent Council shareholders.