

OVERVIEW AND SCRUTINY MANAGEMENT COMMISSION

MINUTES OF THE MEETING HELD ON TUESDAY, 29 OCTOBER 2019

Councillors Present: Peter Argyle, Jeff Brooks, James Cole, Lee Dillon, Alan Law (Chairman), Thomas Marino, Steve Masters, Garth Simpson and Martha Vickers (Vice-Chairman)

Also Present: Catalin Bogos (Performance Research Consultation Manager), Nick Carter (Chief Executive), Andy Sharp (Executive Director (People)) and Jo Reeves (Principal Policy Officer)

PART I

14. Minutes

The Minutes of the meeting held on 9 July 2019 were approved as a true and correct record and signed by the Chairman.

15. Declarations of Interest

During the discussion of item 10 – Corporate Programme, Councillor Lee Dillon declared a personal interest by virtue of the fact that he was employed by Sovereign Housing, with whom the Council was working on a Joint Venture. He declared that his role had no involvement with the Joint Venture and therefore he determined to remain and take part in the debate.

16. Petitions

There were no petitions received at the meeting.

17. Actions from previous Minutes

There were no actions outstanding from previous Commission meetings.

18. Commercialisation Group Terms of Reference and Work Programme

The Commission considered a report (Agenda Item 6) which responded to their request for information in respect of the progress made by the Commercialisation Group, its work programme and future direction.

Andy Sharp introduced the report which provided an assessment of the current position in respect of the work undertaken by the Commercialisation Group; an overview of the work programme for the Commercialisation Group for the period August 2018 through to May 2019 and information in respect of the future leadership, focus and direction of the Commercial Board (revised name of the group) from November 2019 onwards following consideration by Corporate Board and a light touch review of the group.

Councillor Alan Law asked for the membership of the group and its initial goals. Andy Sharp advised that previously it was chaired by Paul Anstey, Head of Public Protection and Culture, and was attended by Sarah Clarke, Head of Legal Services, and June Graves, Head of Commissioning. Attendance from other services was variable. The Group's initial goals had been to grow some income generation initiatives within the Council through the Lion's Lair programme and delivering training to begin to instil a

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culture of commercialisation. Nick Carter advised that some members of the Executive had also been on the group.

Councillor James Cole queried whether any efforts had been made to establish expertise among Councillors; Andy Sharp advised that it had not but he took on board the suggestion.

Councillor Lee Dillon asked how the Council's traded services were reviewed and benchmarked against other authorities. Andy Sharp advised that the income generated vs the cost of delivery would be assessed in the New Year. It was difficult to benchmark because data collection was not uniform. Closer links to the Council's Finance Team would be made to enable better understanding of existing commercial and traded arrangements across the organisation as over £7.5M of income from 54 different trading activities had been identified.

In response to a request to report back to Members, Andy Sharp confirmed he could return to present to the Commission. Nick Carter highlighted that a recent review of the Council's governance included the Commercial Board and could clarify any queries on reporting lines.

Councillor James Cole highlighted the issue of resourcing and commented that it was futile pursuing commercial projects with no Marketing Officer. Nick Carter confirmed that the Council did have a Marketing Officer and noted that the Board had access to the Transformation Fund.

Councillor Law agreed that the dedicated resource was quite small when there were 11 potential projects. He noted that there was already a 'red' action included in appendix D relating to £100k of income generation and pressed the need to understand current activity. Andy Sharp offered reassurance that the refreshed terms of reference would enable the group to focus and ensure the value before embarking on projects.

Councillor Martha Vickers noted that other Councils had assets from which they could generate income and West Berkshire's were limited. She questioned the appropriateness of trading some services such as the Emotional Health Academy (EHA). Andy Sharp advised that services such as the EHA has dual strands and while a universal service was offered to those eligible, some elements could be sold, for example to other authorities. Councillor Steve Masters expressed concern that this could lead to a system whereby individuals not entitled to access the EHA freely could pay and be prioritised. Andy Sharp advised that the Council had been careful in how it set the EHA up. Nick Carter added that the EHA's largest customer was schools and the resource was scaled to meet the demand. He noted the pressure on schools' budgets effecting buy back of many of the Council's traded services so managers needed to be clear on what resource was servicing the traded element of their services. The Council did not give preference to those who could buy support from the EHA.

A discussion was held regarding the replicability of some of the Council's traded services, therefore reducing demand from other local authorities.

Councillor Masters commented that it appeared to be a lot of effort for a modest return; Nick Carter advised that many of the activities related to core business and where an opportunity to trade had been identified.

Councillor Masters challenged certain activities such as the investment in the Routeguard app and questioned whether due diligence checks had been undertaken. The Council had spent £60k on app development over the last five years and Councillor Masters expressed the view that this was not the Council's core business. He stated that Council officers already had high workloads and it was questionable to channel staff resource onto such projects which generated modest returns. Nick Carter advised that only a small

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number of staff, usually at senior levels, were working on the Council's transformational activities including commercialisation. Regarding the app development point, Nick Carter stated he did not know all the detail and would make enquiries regarding the business case. A balance needed to be found between enabling staff to bring forward their ideas and a strong business case. The internal governance review would ensure that a more robust approach to commercial projects was taken in future.

Councillor Lee Dillon asked whether services which had statutory fees and charges such as planning were in the scope of the Commercial Group. Andy Sharp confirmed that those services' fees and charges were on a cost recovery basis rather than income generation and so were not considered to be commercial activities.

Councillor Law observed that over the fifteen months since the creation of the group there was a lot of activity but only now was a structure put in place. He had expected to see more information regarding the revenue achieved. Andy Sharp responded that the tracking with Finance was not yet in place and he wanted to ensure that income was not double counted.

(Councillor Jeff Brooks joined the meeting at 7.20pm)

Councillor Law further highlighted that the Joint Venture with Sovereign and the Council's Commercial Property Investment activity sat outside the group which seemed illogical. Nick Carter advised that those activities predated the creation of the Commercial Board and had their own governance structures including Member oversight.

Councillor Masters questioned the return achieved through property investment when it had been revealed at the recent meeting of the Executive that the return on investment for solar photovoltaic panels was 5%. He asked whether the Commercial Board would have the confidence to terminate projects which were not achieving the expected income in order to divert funding towards other projects. Nick Carter stated that the Executive were currently reviewing the Property Investment Strategy and highlighted that a project to establish a shared legal service with other authorities was terminated on the basis that the business case did not stand up. The Council had developed much more robust project management methodology which balanced the financial objectives with achieving better outcomes for residents.

In response to a query from Councillor Dillon, Nick Carter agreed to confirm whether Opposition Members could attend the Property Investment Board.

Councillor Law requested that Andy Sharp present an update report in twelve months time which listed what the Board had done, what revenue had been achieved and how this was tracked.

Resolved that:

- (1) The Commission noted the report.
- (2) The Review of Internal Governance report would be circulated to members of the Commission.
- (3) Nick Carter would make enquiries regarding the business case and approvals for the Routeguard app.
- (4) Nick Carter would confirm whether Opposition Members could attend the Property Investment Board.
- (5) An item would be added to the Commission's Work Programme for Andy Sharp to provide an update on Commercial Board after twelve months.

19. London Road Industrial Estate: Interim Task Group Report (Verbal)

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The Commission considered a verbal update (Agenda Item 7) concerning the progress of the London Road Industrial Estate Task Group. Councillor James Cole reported that the Task Group were keeping to the terms of reference which had been set by the Commission. The Task Group had met four times and received over 1000 pages of background material. The Audit Manager was now supporting the Task Group and the Head of Legal and Strategic Support was devoting far more time than originally intended. A chronology of the key decision points had been compiled and there were some gaps still to be filled. A further meeting would be held before the New Year to clarify the evidence, ahead of witness interviews in late January. The Task Group hoped to be able to report back to the Commission in February or March 2020. There would be lessons to learn from the case and it was clear that one such lesson, the need for more robust project management, had already been identified and implemented.

Councillor Jeff Brooks agreed that the Task Group was not straying beyond its terms of reference and suggested that it may find evidence that project management was not sufficiently joined up. It had taken a couple of meetings to get going but he was sure that the Task Group would be able to provide the Council some constructive criticism.

Councillor Alan Law noted that the main area of focus was the legal advice the Council received and how the Council acted upon that advice. Councillor Cole confirmed that the Task Group had not yet identified all the answers.

Councillor Steve Masters asked whether former officers and Members could be invited to provide evidence. Councillor Cole advised that they could not be compelled to attend an interview and an invite list was being assembled. Councillor Masters further asked whether any external agencies would be interviewed. Councillor Law stated that all those interviewed should be able to provide evidence on the Council's governance of the project.

Councillor Law stated that he was willing to be called as a witness to provide evidence to the Task Group.

Resolved that: the Commission noted the update.

20. **IT and Digital Transformation Capacity Task Group Terms of Reference**

The Commission considered the terms of reference (Agenda Item 8) for the IT and Digital Transformation Capacity Task Group.

Councillor Lee Dillon suggested that in respect of point three, 'resources' be split to describe time and staffing.

Councillor Jeff Brooks expressed the view that the Task Group should also consider digital inclusion and the customer experience.

Councillors Tom Marino, Steve Masters and Peter Argyle were identified as the Members of the Task Group. Other Members would be invited to participate as required. The Task Group was scheduled to report back to the Commission in July 2020.

Resolved that: the Terms of Reference for the IT and Digital Transformation Capacity Task Group were approved.

21. **Key Accountable Performance 2019/20 - Quarter One**

The Commission considered a report (Agenda Item 9) concerning the Council's Key Accountable Performance at Quarter One. Work was being undertaken to finalise the Council Strategy Delivery Plan which would feed in targets to the quarterly performance framework. One measure was showing as red against the target, namely reviews of Adult Social Care clients receiving a long term service. Additional information had been

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circulated which demonstrated a considerable improvement in performance as of 20 October 2019.

Councillor Alan Law stated that it was very unusual to receive a performance report which included no targets. Catalin Bogos advised that in this document, performance against core business measures were reported against targets carried forward from the previous year.

Councillor James Cole queried the need for both tables relating to empty business properties on page 61 of the agenda; Catalin Bogos explained that they were provided for clarity. Councillor Cole suggested that graphs might better display the Council's performance than the spreadsheets and asked for more information on point 7 on page 58 which stated that 7/14 major ICT projects were behind schedule. Catalin Bogos agreed to provide more information.

Councillor Jeff Brooks expressed the view that the information provided in the report was woolly and more information was required to provide a clearer picture of the Council's performance. Catalin Bogos advised that more detail was provided in exceptions reports for any indicators with amber or red status. The purpose of the report was to provide a rounded view and was not intended to reproduce information discussed at Corporate Programme Board. Councillor Brooks stated that he was not comfortable that there was enough rigour.

Nick Carter explained that the same targets as the previous year were being used until the major piece of work to produce the Council Strategy Delivery Plan was completed. The only indicator off track at present related to Adult Social Care reviews of clients receiving a long term service. The performance report in the main reported the Council's business as usual activities whereas the Corporate Programme oversaw a number of transformation projects.

Councillor Lee Dillon noted that previously it had been agreed that Members of the Commission would consider targets before they were agreed by the Executive. Councillor Law agreed that indicators should be considered proactively and stated that he would like a small Task Group to be compiled to review the draft Council Strategy Delivery Plan ahead of determination by the Executive.

On the subject on Long Term Service reviews, Councillor Dillon stated that in future he would like the exception report to include a prediction of what level of performance could be expected through the mitigating actions taken, if not the original target. Catalin Bogos stated that amber was used to indicate where performance was off track but expected to meet the target by year end. He would amend the exception report template to include a prediction of how close performance could get to the target for red indicators.

Councillor Dillon suggested that information on the size of empty business properties would be helpful and there was more of a relationship to the economy and Council's income.

Councillor Law stated that in future he would like to see the performance report quicker.

Councillor Brooks sought to clarify whether Catalin Bogos' role was to push Heads of Service to improve performance. Catalin Bogos advised that while resource in his team was limited his role did include pressing services and working with Heads of Service to clarify how performance issues would be addressed. He also made recommendations to the Executive to review issues in key areas.

Resolved that:

- (1) The report was noted.

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- (2) Catalin Bogos would provide additional information regarding Major ICT Projects.
- (3) Catalin Bogos to amend the exception report template to include a prediction of how close performance could get to the target for red indicators.

22. Corporate Programme

(Councillor Lee Dillon declared a personal interest in Agenda item 10 by virtue of the fact that he was employed by Sovereign Housing but his work had nothing to do with the Joint Venture. As his interest was personal and not prejudicial he was permitted to take part in the debate).

The Commission considered a report (Agenda Item 10) concerning the Council's Corporate Programme.

Councillor Lee Dillon enquired why the project to roll out Solar photovoltaic panels was only a pilot when there was a strong national evidence base. Nick Carter advised that part of the project was to assess the feasibility before rolling out more widely. In response to a further question, Nick Carter agreed to identify what resource had been allocated to the project and circulate the information.

Councillor Steve Masters asked for more information on the suggestion that solar panels could be rolled out more widely. Nick Carter advised that the Executive was looking at the Property Investment Strategy and he expected renewable energy to be part of the Council's approach in the future. Not all of the £100m budget had been drawn down with around £63m spent to date. No decisions had yet been made on how to make best use of the remaining £37m.

Councillor Dillon asked why the Joint Venture with Sovereign was showing as red. Nick Carter advised that some sickness absence in Sovereign had caused delay but the agreement was ready to be signed by the end of the year.

Returning to the solar project, Councillor James Cole expressed surprise that it was not feasible to install panels on car parks. Nick Carter advised that while it was possible, it was restricted by cost in some cases.

Nick Carter highlighted that further information on the IT projects was included in the Corporate Programme. He agreed to provide further information on the red projects.

Councillor Law questioned the accuracy of the document when he knew the Local Plan was months behind schedule. Nick Carter advised that he reviewed the document once per month with officers and it would be corrected for the next meeting.

Resolved that

- (1) The Corporate Programme was noted.
- (2) Nick Carter would circulate information regarding the Solar PV Project.
- (3) Nick Carter would circulate information on projects showing as red in the Corporate Programme.

23. West Berkshire Council Forward Plan 12 November 2019 to 29 February 2020

The Commission considered the West Berkshire Forward Plan (Agenda Item 11) for the period covering 12 November 2019 to 29 February 2020.

Councillor Jeff Brooks asked whether he could see the final Economic Development Strategy ahead of its publication date on 11 December 2019. Nick Carter recommended that the request should be made to Councillor Hilary Cole as the Portfolio Holder.

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Councillor Steve Masters queried the timescales for the Environment Strategy as he understood it would now be approved in February or March 2020. Jo Reeves reported that a new version of the Forward Plan would be released later in the week which reflected the updated timescales.

Resolved that the Forward Plan be noted.

24. Overview and Scrutiny Management Commission Work Programme

The Commission considered its Work Programme for 2019/20.

The following changes to the Overview and Scrutiny Management Commission Work Programme were discussed and agreed:

- Line 4, last column - date to be corrected to read 'Pre decision by Council on 3 March 2020'.
- A small Task Group would be arranged to make comments on the draft Council Strategy Delivery Plan before the decision by the Executive on 19 December 2019. Councillors Alan Law, Jeff Brooks and Garth Simpson were appointed to the Task Group.
- Councillors Steve Masters and Lee Dillon suggested items regarding the Council's projects to address the Climate Emergency. Councillor Law requested that he be sent a request via email so he could consult the Vice-Chairman and officers before making a decision.

Resolved that the changes to the Work Programme be noted.

(The meeting commenced at 6.30pm and closed at 8.43pm)

CHAIRMAN

Date of Signature