

# DRAFT

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## OVERVIEW AND SCRUTINY MANAGEMENT COMMISSION

### MINUTES OF THE MEETING HELD ON TUESDAY, 9 JULY 2019

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

**Also Present:** John Ashworth (Corporate Director - Environment), Nick Carter (Chief Executive), Emma Congerton (Housing Options Team Leader), Melanie Ellis (Chief Accountant), Gabrielle Esplin (Finance Manager (Capital and Treasury Management)) and Gary Lugg (Head of Development & Planning), Stephen Chard (Principal Policy Officer), Councillor Hilary Cole (Executive Portfolio: Economic Development and Planning), Councillor Lynne Doherty (Executive Portfolio: Leader and Strategy, Communications) and Jo Reeves (Principal Policy Officer)

**Apologies for inability to attend the meeting:** Councillor Lee Dillon

**Councillor(s) Absent:**

#### PART I

#### 3. Minutes

Councillor Alan Law opened the meeting, the first held since the District Council Elections in May 2019, and welcomed new and returning Members to the Overview and Scrutiny Management Commission (OSMC). By way of brief background, Councillor Law explained that the OSMC's two key functions were to look back and by doing so hold the Executive and the Council to account; and to be a critical friend to the Council looking forwards.

The Work Programme, which would be discussed in more detail later in the meeting, was structured to cover three broad areas: Policy Effectiveness, Partnership Effectiveness and Corporate Effectiveness.

Councillor Law also took the opportunity to direct Members to an e-mail received earlier in the day seeking approval for an urgent item to go to the Executive. He urged Members to respond to this.

The Minutes of the meetings held on 9 April 2019 and 21 May 2019 were approved as true and correct records and signed by the Chairman.

#### 4. Actions from previous Minutes

Stephen Chard reported that the London Road Industrial Estate Task Group would hold its first meeting on 25 July 2019. Councillors James Cole (Chairman), Jeff Brooks, Lee Dillon, Claire Rowles and Andy Williamson had been appointed to the Task Group. The main purpose of this first meeting would be a focus on the background and history connected to the redevelopment of the site. Future meeting dates and plans for those meetings would also be confirmed/discussed.

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Councillor Alan Law reported that the three recommendations of the Commission on the Adult Social Care overspend paper had been received by the Executive on 13 June 2019.

The first two recommendations had been accepted. The third recommendation, in respect of remodelling the budget for all services every four years, was on hold to allow the new Executive Director (Resources) to take a view once they had come into post.

### 5. **Declarations of Interest**

There were no declarations of interest received.

### 6. **Petitions**

There were no petitions received at the meeting.

### 7. **Items Called-in following the Executive on 13 June 2019**

No items were called-in following the previous Executive meeting.

### 8. **2018/19 Revenue Financial Performance: Provisional Outturn**

The Commission considered a report (Agenda Item 10) concerning the 2018/19 Revenue Financial Performance: Provisional Outturn. Melanie Ellis introduced the report which outlined that at Quarter One it became evident that a significant overspend was emerging in the Communities Directorate, most notably in Adult Social Care. The whole Council was tasked with putting mitigation strategies in place in order to address the forecast overspend. Without this action the Council could have faced an overspend of £3.3million. A net £731k was released from reserves to mitigate the overspend. Where any savings planned had not been achieved, these were included in the budget build for the 2019/20 financial year.

Councillor Jeff Brooks noted that yet again the Resources Directorate had achieved an underspend, in 2018/19 it was £750k. He asked if the Resources budget was being treated as an additional reserve and whether the budget should be reduced if it were able to find savings every year. Nick Carter responded that as outlined in the report, a number of mitigation measures were deployed in order to reduce the overspend caused by the Adult Social Care budget, including some capitalisation of costs and some slowdown measures. It was easiest to achieve this in the Resources Directorate. Higher than forecasted income of £250k was also achieved via the Council's Property Investment Strategy. The additional £500k was attributable to slowing down spending including keeping key posts vacant and from 1<sup>st</sup> April these were unfrozen. The Resources underspend only went a small way to reducing the overspend in comparison to the risk reserves. If the budget were rebased to remove that funding the Directorate would be exposed to significant risks.

Councillor Alan Law highlighted that the review paper on the Adult Social Care overspend had made recommendations regarding all of the Council's budgeting. Councillor Brooks stated that he expected the Commission would be looking at another underspend in the Resources Directorate next year.

**Resolved that:** The report be noted, in particular the continued challenge shared nationally of managing pressures in Adult Social Care.

### 9. **2018/19 Capital Programme Financial Performance: Provisional Outturn**

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The Commission considered a report (Agenda Item 11) which provided the provisional outturn for the 2018/19 Capital Programme. It was noted that the figures were provisional and might change as a result of External Audit.

Gabrielle Esplin, Finance Manager (Capital and Treasury Management), introduced the report. Total capital expenditure in 2018/19 was £81.3 million against the £89.9 million budget, therefore an underspend of £8.6 million.

£6.4 million of the underspend related to highways schemes with delays in developing the Kings Road Link and the fact that £1.9 million in additional funding was received for highway maintenance in December 2018, which could not be fully utilised by 31 March 2019.

In the Communities Directorate, the main contributing factor to the £832k underspend was the delay caused to the Highwood Copse School project due to the contractor going into administration. This impacted within both Education and Highways.

Councillor Jeff Brooks noted that borrowing costs had become less expensive. However, the Council was borrowing significant sums – in the region of £43 million. He questioned the servicing costs of this borrowing over the course of the Medium Term Financial Strategy (MTFS).

Gabrielle Esplin explained that the MTFS contained an annual increase of £0.5m to cover the cost of borrowing. However, this did not cover the costs of borrowing to fund the Property Investment Strategy, but these costs were offset by the income derived from property investment. The borrowing cost over the course of the MTFS was in the region of £11 million. Councillor Brooks voiced his concern at this high figure. This created additional pressure on the budget when savings continued to be needed.

Councillor Alan Law repeated the point made by Gabrielle Esplin that the return on investment helped to offset borrowing costs. He asked Gabrielle to provide further detail on the debt forecast to OSMC Members.

### **Resolved that:**

- The report be noted.
- Gabrielle Esplin would provide further detail on the debt forecast to the OSMC.

*(Post meeting note: detailed debt forecast provided to OSMC Members via e-mail on 15 July 2019).*

## **10. Prevalence of homelessness in West Berkshire**

The Commission considered a report (Agenda Item 9) which reviewed both the prevalence of homelessness in West Berkshire and the impact of the Council's activity in this area over the 2018/19 winter.

This report was provided in follow up to the discussion held at the Commission meeting in October 2018 when plans were outlined for the forthcoming winter.

This report contained an update on progress with adhering to the requirements of the Homelessness Reduction Act (HRA) 2017 and how the Rough Sleeping Initiative (RSI) funding provided by Government had been utilised.

The Homelessness Strategy Group (HSG) had developed a short term winter plan for 2018/19 as well as working on other longer term projects. This plan had been reviewed by the HSG and this included consideration of the outcomes for homeless people and rough sleepers within West Berkshire and the implications for future years.

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The winter plan consisted of Two Saints providing an extended winter provision service for rough sleepers which extended beyond the Severe Weather Emergency Provision (SWEP) to operate from 1 November 2018 to 31 March 2019. The extended provision was for people with a local connection and was paid for by the Council.

Councillor Hilary Cole gave thanks for the efforts of all involved in the work of the previous winter. Lessons learnt had been identified and a list of recommendations were included in the report, however a number of successful outcomes had been achieved. SWEP requirements had been met and the number of rough sleepers had reduced from 19 to 8.

Councillor Cole particularly commended the involvement of Two Saints in providing the extra accommodation and gave thanks to the West Berkshire Homeless charity for their assistance and for remaining open until May 2019 which was an extension.

Future options would continue to be explored. The Council had purchased units of accommodation to provide self-contained temporary accommodation within the District rather than housing families elsewhere. It was important to ensure that housing continued to be provided in the district and that children did not have to change schools.

Gary Lugg clarified that the winter plan was a partnership document owned by the HSG. The HSG would lead on the implementation of the longer term projects. He added that the partners worked well together.

The Winter Plan for 2019/20 was being developed. It was the expectation that the number of entrenched rough sleepers would have reduced significantly meaning the SWEP requirement could reduce. There was confidence that the requirement could be accommodated at Two Saints. Rough sleepers could also be housed via the Housing First initiative.

It had been possible to help entrenched rough sleepers move to accommodation, some of whom had rough sleeping for up to 15 years.

Councillor Cole explained that an encampment of rough sleepers had been present on an area of Council owned land behind the football ground for a few years and it had been agreed that court action would be taken to dismantle the encampment. All occupants had been directed to alternative housing options. She gave thanks to Paul Hendry for his sensitive handling of this situation and the partners involved – Two Saints and West Berkshire Homeless.

Councillor Martha Vickers advised that she attended the last HSG on behalf of Newbury Town Council and she felt it was an encouraging meeting. There was a positive working environment and many issues were being worked on and resolved.

Councillor Vickers was pleased to note the posts that had been appointed to as part of the RSI. She was hopeful that this funding would be maintained to enable the good work to continue.

It was noted that Government funding was currently committed for 2019/20. Gary Lugg explained that a contingency budget beyond this date was being looked at and liaison with Government was ongoing with regards to continued funding, particularly when there were challenging targets to meet.

Gary Lugg agreed with Councillor Vickers point that rough sleepers attended Loose Ends for meals, but this was also an opportunity for people to socially interact and access services. The HSG were looking at the provision of a wellbeing centre in addition to this and this was in the early stages of discussion.

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Councillor Steve Masters added his thanks for the work done to date. He asked for further detail on the Housing First initiative. Gary Lugg explained that this scheme was aimed at helping entrenched rough sleepers, via intensive support, into accommodation and sustaining that. The provision of furniture/carpeting was part of the initiative.

Emma Congerton explained that it was the aim to provide 10 Housing First places in this first year of the scheme. She added that this was funded by the RSI. Information on further funding was anticipated by December 2019 and future plans could be firmed up at that point. The Council would however be considering a potential exit plan should further funding not be available.

In response to a question from Councillor Masters, Emma Congerton explained that the accommodation provided via Housing First was for a lengthy fixed term arrangement of a year's probation followed by five years with an option for a further extension. Housing First accommodation needed to be in a central location with access to transport and services.

Councillor Jeff Brooks noted and agreed with the policy of giving priority to people with a local connection, but he queried what help was offered for people presenting as homeless but with no local connection. Gary Lugg explained that help was still offered with accommodation, for at least one night, before they were helped to travel back to their own localities.

Councillor Alan Law felt that this was an encouraging report that recognised progress made to date. Councillor Cole agreed, but was clear that this was work in progress with more work still to be done.

**Resolved that** the report, and the outcomes of the HRA 2017 and RSI funding initiatives together with the approach to tackling homelessness and rough sleeping, be noted.

### 11. **West Berkshire Council Forward Plan 16 July 2019 to 31 October 2019**

The Commission considered the West Berkshire Forward Plan (Agenda Item 7) for the period covering 16 July 2019 to 31 October 2019.

Councillor Jeff Brooks requested information on the timescales for the Refresh of the Procurement Strategy. Nick Carter advised that the report had been drafted and would form part of a wider piece on a strategic approach to commissioning (highlighted as a need in the Local Government Association Peer Review). There would be no issue with sharing the drafted document ahead of the broader report being published.

A report detailing the implementation of the strategic commissioning approach would be presented to the Executive in due course

The Economic Development Strategy and Delivery Plan was scheduled for the Executive in October 2019.

**Resolved that** the Forward Plan be noted.

### 12. **Corporate Programme**

The Commission considered a report (Agenda Item 12) concerning the Council's Corporate Programme. Nick Carter advised that the items listed were transformational activities linked to the Council Strategy and important items from the Capital Programme. A RAG rating was used to indicate the progress of the projects. The Programme was due to be reviewed at the next meeting of the Corporate Programme and further work would be undertaken to ensure alignment with the Council Strategy Delivery Plan. Members were asked whether they would like any projects to be presented to the Commission for scrutiny.

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Councillor Jeff Brooks stated that he would like the flexibility to add projects to the Work Programme mid-year. Councillor Alan Law felt that the Commission could consider doing so.

Councillor Steve Masters asked how the new Environment Board, which was formed to handle the Climate Emergency declared by the Council, would fit in. Nick Carter advised that he would expect the Strategy to be produced first and subsequent projects to be added to the Programme as they were developed.

**Resolved that** the Commission noted the Corporate Programme.

### 13. Overview and Scrutiny Management Commission Work Programme

The Commission considered its work programme for 2019/20. Councillor Alan Law introduced the report which set out a list of topics suggested by Officers, including his own addition. He had discussed the topics with the Leaders from the Opposition and Minority Groups. While the Commission had additional resource, topics would need to be prioritised and align with the three strands identified by the Commission; corporate effectiveness, policy effectiveness and partnership effectiveness. Three suggestions had been received from the Vice-Chairman on behalf of the Opposition Group in respect of planning enforcement, Highwood Copse School and the school meals contract. Planning was outside of the Commission's scope and Councillor Law requested further information on what outcomes might be achieved by a scrutiny review of the other two suggestions.

Councillor Law set out an aspiration to develop a Work Programme of a dozen topics to cover 18-24 months including a few in-depth items. He also sought a balance between retrospective and proactive issues. He outlined six topics which had achieved a consensus:

1. London Road Industrial Estate: a task group had been established to conduct this review.
2. Council Strategy Delivery Plan and target setting. Councillor Law felt that the Commission should have an opportunity to review whether appropriate targets were set.
3. Shared Services: a look back at existing ones and research options for the future.
4. Inequalities/ social mobility: looking at how the Council's policies addressed inequalities.
5. Commercialisation: the Capital Investment Strategy and commercial opportunities.
6. Digitisation: promoted as an opportunity to realise efficiencies through invest-to-save projects.

Councillor Owen Jeffery asked whether a pan-Berkshire piece of scrutiny could be undertaken regarding electrification of the railway line. Councillor Law suggested the Shared Services piece could cover this topic.

Councillor Jeff Brooks expressed his disappointment that the Commission was not further resourced as there was scope that it could identify efficiencies. He stated that all topics suggested were worthy of scrutiny and requested that at the next meeting the Work Programme was brought back which presented a consensual view. Councillor Law stated that there appeared to be a consensus on all topics.

Councillor Brooks suggested that all New Ways of Working Reviews should be challenged on invest-to-save proposals. Councillor Law proposed that a small group be established to work on this in more detail. Jo Reeves reminded the Commission that a review scope into IT and Digital transformation capacity had been agreed at the previous meeting. Councillors Law, Brooks and Tom Marino would be involved in this work when scheduled.

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Councillor Garth Simpson expressed the view that big national projects such as electrification should not fall under the remit of the Commission which should focus on the Council and its immediate partners.

Councillor Law concluded that he would liaise with officers to produce a work programme including timescales to send out to Members for comment. There would be flexibility to add topics which arose throughout the year. He agreed that he would like the Commission to be better resourced and noted that 0.5fte was an improvement.

**Resolved that** the changes to the work programme be noted.

*(The meeting commenced at 6.30 pm and closed at 7.40 pm)*

**CHAIRMAN** .....

**Date of Signature** .....