

DRAFT

Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

OVERVIEW AND SCRUTINY MANAGEMENT COMMISSION

MINUTES OF THE MEETING HELD ON TUESDAY, 29 NOVEMBER 2022

Councillors Present: Alan Law (Chairman), Jeff Brooks, James Cole, Tony Linden, Steve Masters and Tony Vickers

Councillors Attending Remotely: Adrian Abbs (Vice Chairman), Richard Somner (Executive Portfolio: Planning, Transport and Countryside)

Also Present: Joseph Holmes (Executive Director - Resources), Sarah Clarke (Service Director (Strategy and Governance), Paul Coe (Service Director, Adult Social Care), Jon Winstanley (Service Director (Environment), Nick Caprara (Housing Strategy Development & Review Manager), Paula Goodwin (Service Lead HR) and Carolyn Richardson (Civil Contingencies Manager), Vicky Phoenix (Principal Policy Officer) and Gordon Oliver (Principal Policy Officer)

Apologies for inability to attend the meeting: Councillor Biyi Oloko, Councillor Claire Rowles, Councillor Lynne Doherty, Councillor Ross Mackinnon and Councillor Thomas Marino

PART I

29. Minutes

The Minutes of the meeting held on 6 September 2022 were approved as a true and correct record and signed by the Chairman.

30. Actions from previous Minutes

Members noted the updates on the actions from the previous Minutes.

The following comments were made:

Action 76 – It was suggested that the word ‘currently’ be added before 120 litres, to reflect the fact that stricter limits may be possible in future.

Action 79 – There was discussion as to whether this action should be closed since the Economic Development Team were struggling to identify the top 10 employers due to a lack of data. However, it was requested that the action remain open for one more meeting.

31. Declarations of Interest

Councillors Adrian Abbs and Tony Vickers declared an interest in Agenda Item 6, but reported that, as their interest was a personal or an other registrable interest, but not a disclosable pecuniary interest, they determined to remain to take part in the debate and vote on the matter.

32. Petitions

There were no petitions to be received at the meeting.

33. Items Called-in following the Executive on 3 November 2022

Councillors Adrian Abbs and Tony Vickers declared a personal interest in Agenda Item 6 by virtue of the fact that York House was within their ward. As their interest was personal and not prejudicial or a disclosable pecuniary interest, they determined to remain to take part in the debate and vote on the matter.

The Commission accepted a call-in request submitted on 10 November to review the Executive's decision (EX4279) of 3 November 2022 concerning the freehold disposal of York House (Agenda Item 6). The call-in request had been submitted in accordance with Sections 5.3 and 6.4 of the Council's Constitution.

It was noted that provision had been made for a Part II discussion, but since the information was already in the public domain, this was considered unnecessary.

Joseph Holmes was invited to provide an overview of the proposed course of action in relation to the disposal of the freehold of York House:

- The report identified alternative uses for York House that had been considered and rejected by a range of service areas over an extended period of time.
- It was noted that any proposal would be require an appropriate business case.
- Given the lack of any firm proposals, the Executive had agreed to proceed with the disposal of the property.

Members who had submitted the call-in were invited to present their reasons and proposed alternative course of action. The following points were made:

- Members of Executive and OSMC had not undertaken a site visit to see the property – as a result, everything in the report had to be taken at face value.
- The property could potentially be used as accommodation for young care leavers and a local charity was looking for a property for this purpose. Members asked if this use had been considered.
- There was insufficient evidence in the report to provide assurance that all possible uses had been considered. Members had hoped this information would be provided in response to the call-in. It was assumed that the Executive would have seen this information, but if not, they would have had to make the decision on the basis of insufficient information.
- Members and the public needed to understand how the Executive came to the decision, and if all options had been considered. It was suggested that the report should have included a table of pros and cons for each option.
- The Education Service had expressed interest in using the property for a SEND Unit, but a business case had not yet been drafted. It was suggested that the disposal be paused to allow the business case to be developed and considered.
- Members challenged whether this was the right time to sell the property, since the property market was falling and there was a reduced chance of a quick sale at a high value.
- It was asked whether additional investment could be made to improve the value of the property. Also, Members wanted to know why the property had been allowed to deteriorate.
- It was noted that the property valuation of £700,000 was less than the much smaller property next-door.

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OSMC Members were invited to comment and made the following points:

- It was noted that various options had been considered 4-5 years ago, but the market had since changed.
- The £700,000 valuation was as a development plot, and although the joint venture company had considered the site to be too small, Members thought it likely that the site would be bought and redeveloped to create a much higher value property.
- It was suggested that OSMC should consider the property in its current state and the issue of whether maintenance should be carried out should not be a matter for consideration.

Officers responded to the points raised as follows:

- The building had been empty for a long period of time and the Council faced significant financial challenges.
- It was not known whether Executive Members had visited the site. However, two Executive Members were on the Asset Management Group, which had considered alternative uses for the site.
- Various alternative uses had been considered and rejected.
- Officers were aware of the proposal to use it for young care leavers' accommodation, but no business case had been presented.
- It had been used briefly during the Covid pandemic by the Housing Team as an interim touchpoint for the Homelessness Service, and had been considered and rejected for use as a homelessness hub.
- Both the Joint Venture Company and Adult Social Care had rejected the site on the grounds of size.
- A tender had been put out for registered providers to utilise the site within the last year, but no interest was received.
- There had been interest in the site from the SEND Team, but no business case had been produced.
- There had been external interest from the Clinical Commissioning Group, which had subsequently been withdrawn.
- It was important to get best value from Council assets - having explored alternative options, selling the property was considered the best option.
- Increased borrowing costs meant that the value of a capital receipt to the Council had gone up by 50% in the last year.
- It was accepted that the residential housing market was cooling, but the benefit to the Council of selling now would outweigh any potential reduction in the sale price.
- It was accepted that the property may not have been maintained to the same standard as when last in permanent use in 2017.
- It was not considered worth investing in the asset, since the end use of the property was unknown.
- £700,000 was considered to be the minimum price set at auction and the market would determine the ultimate sale price.

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During the debate, the following points were discussed:

- A question was asked as to whether formal reports were available that documented: discussions with potential end users, the extent to which options were explored, and the reasons as to why the site was considered unsuitable for the proposed uses.
- It was acknowledged that refurbishment of the property would require additional borrowing and the value of capital receipts was recognised, given the Council's current financial position, particularly if interest rates continued to rise.
- Since the property was not ready to live in, there was no point in refurbishing / decorating it.
- It was difficult to judge the right time to proceed with a sale.
- Putting the property on the market may force proposals that were on the back-burner to be brought forward.
- The call-in appeared to hinge around the assertion that the Executive had been given insufficient information to be able to make a proper decision. Summaries of previous proposals were provided in the report, but detail was absent, so key questions were around: how much trust the Executive put in the Property Team, and whether the Executive asked sufficient questions at the meeting.
- Officers could not recall if there was much debate on the item. However, it was noted that most of the work was done in advance, which meant that there were few questions at meetings.
- It was queried whether it could be considered 'best value' to work with a charitable partner who could make use of the property and lever in additional funding to deliver Council objectives rather than receive the best price at auction. Officers highlighted the Council's Social Value Policy, which was considered in procurement decisions in reaching a decision about which proposal offered best value.
- Members asked if putting the property on the market would preclude services from coming forward with new proposals. Officers confirmed that putting the property on the market would allow other organisations to engage with the Council and bid for the property who may not currently be aware of it. Council services would not be precluded from coming forward with suggestions, but the point was reiterated that the property had been available for some time, with no suitable business case identified.
- Officers were asked why the property had not been maintained to the extent that it was no longer habitable and refurbishment costs were now excessive. The Chairman stressed that this was not relevant to OSMC's decision and Members needed to consider the property in its current state. If Members wished to look at whether the Council was adequately maintaining its assets, that would have to be considered separately.
- It was suggested that there were other ways in which the Council could have asked the market to identify alternative uses for the site.
- Members noted that if the sale was to be conducted by auction, which would limit the time available for proposals to come forward. However, officers stressed that the decision about the disposal mechanism had not yet been taken.
- It was highlighted that all of the Council's temporary accommodation was full and a large number of families and individuals were being put up in hotels. It was suggested that savings could be delivered in excess of the £10,000 annual maintenance costs if York House was to be used for this purpose.

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- The point was repeated about the lack of supporting information in the Executive report and it was suggested that information previously considered by the Asset Management Group should have been provided to OSMC in a Part II paper.
- Officers were challenged about the time required to produce a business case for the SEND proposal and Members asked if services had been given clear timescales for developing proposals. Officers noted that there had previously been multiple deadlines given, and each time, proposals were submitted at the last minute, which subsequently came to nothing.
- It was suggested that the report should be referred back to Executive for them to confirm why they considered the decision to be sound. Members recalled that there had been no questions at Executive around process, and so Executive had not demonstrated to the rest of the Council that the correct decision had been taken.
- It was highlighted that rigorous interrogation was not undertaken at Executive, but instead this was done at Asset Management Board and in discussions with the relevant Portfolio Holder. Therefore the call-in could be considered to be challenging the basis of how the Executive worked.
- Members who submitted the call-in felt that evidence missing from the Executive report should have been provided to OSMC so it could be reviewed this in public. However, it was highlighted that the matter was the subject of a call-in rather than scrutiny, and that commercial information would have to be considered in a Part II debate, which would not put the information in the public domain.
- It was suggested that additional information should be provided within all reports to Executive to show that issues had been fully considered rather than relying on the opinion of officers.

The motion to refer the matter back to Executive for further consideration was proposed by Councillor Jeff Brooks and seconded by Councillor Tony Vickers.

An indicative vote was taken, including Members attending remotely. This showed that the majority of Members supported the motion.

At the formal vote, the motion was rejected.

RESOLVED that the disposal of the freehold for York House would be implemented as set out in the report to Executive on 3 November 2022.

34. **Customer Journey Task Group - Interim Report**

Councillor James Cole introduced the Customer Journey Task Group Interim Report (Agenda Item 7) and summarised the key points.

Members made the following observations:

- The scope of the review was very large and that things were changing before the Task Group could report back.
- It was suggested that the Task Group should not look at the quality of particular services, other than the interfaces with customers, and that the Out of Hours Service, Contact Centre and website would be sufficient.
- The Out of Hours Service had been included following concerns about a couple of incidents, but it was acknowledged that this may over-extended the scope of the review.

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- Some changes had already been made in response to early feedback from the Task Group.
- There was praise for the collaborative approach taken by the Task Group Members.
- Standards and working practices changed very quickly in website design.
- The way in which the Council interacted with its customers had changed over time and the Council needed to be responsive to changing expectations and needs and to take account of the fact that different people would use systems in different ways.
- The Council had developed the Business West Berkshire website, but initially there had been no links to and from the main Council website. This had exposed some silo-working within the authority.
- There were two Task Groups being run simultaneously and there was a need for additional officer resource to support the scrutiny function.
- Members expressed surprise that the Task Group had not been made aware of the Customer First Programme Board and Place Review from the outset.
- The Customer First Programme Board had an operational focus, while the Task Group was looking at more strategic issues.

35. Fees and Charges Task and Finish Group - Interim Report

Councillor Tony Linden Presented the Fees and Charges Task Group Interim Report (Agenda Item 8) and summarised the key points.

It was noted that the key thrust of the Task Group's Interim Report was the need for additional and more granular information to allow Members to make more informed decisions as to the appropriateness of proposed changes to fees and charges.

Officers highlighted that the Task Group would not present its final report until March 2023, which would be too late for recommendations to be incorporated into the 2023/24 fees and charges.

36. Appraisal Review

Paula Goodwin (Service Lead – Human Resources) presented the report on the Council's appraisal process (Agenda Item 9).

It was noted that the report had been requested to provide additional detail that had not been covered in the report to the previous report to OSMC on 24 May 2022.

Members made the following observations:

- The table showing the percentage of appraisals undertaken appeared to show a lot of red, which was a concern and was contrary to assurances given that the appraisal system was working well.
- It was suggested that appraisals should consider employee wellbeing, motivation and mind-set, as well as progress towards objectives and targets.
- Also, it was suggested that employees needed to be able to have ad-hoc meetings with managers.
- Assurance was also sought that appraisals were being written up.
- Employees needed feedback from managers about how they were performing.

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- Employee morale could be affected by a range of factors such as cost of living and workplace bullying.
- Appraisal completions within the Director and Support (People) had gone from 100% in March 2021 to 33.33% in September 2022, which was a concern. Reductions in other service areas were also concerning.
- It was important to retain Council employees, since some services were using high numbers of agency staff, which was costly.
- Members had been made aware a few months previously that some officers had not had an appraisal for several years.
- A question was asked about the impact of Covid and home-working on the frequency and quality of appraisals.
- Appraisals should be a two-way process where appraisees should be able to say what they needed and officers should have access to training.
- The new system was not due to be procured until 2024, which seemed a long time.
- Detail was sought as to the number of staff subject to detailed supervision sessions.
- The tones used in the RAG ratings were difficult to distinguish by those who were colour blind.
- The previous report to OSMC had been indicated that the new framework would be implemented in September / October, but it had slipped to 2023.
- Previously, the Executive had been provided with appraisal data and this had shown some services with fewer than 30% of staff receiving appraisals. However, this had since improved.

Officers responded to the points made as follows:

- The RAG rating used in the table denoted the percentage of appraisals completed compared to previous years rather than performance against an absolute standard.
- Managers were required to have regular 1-2-1 meetings with their direct reports, and the 1-2-1 form included a section on employee wellbeing. Also, a Wellbeing Officer had been appointed who had made good progress on progressing the wellbeing agenda within the Council. Employees and their managers were being supported from a wellbeing perspective.
- The appraisal form included standards for competencies. However, a new behaviour framework had been agreed and would replace the competency framework next year. This behaviour framework included more soft skills.
- Managers and employees were expected to document appraisals quickly. Although there was no central repository for appraisals, it was believed that appraisals were being written up. Managers were asked to record when they had appraisal meetings within the HR / Payroll System. There was lots of internal communication to ensure that staff were reminded to do this.
- There was no evidence to suggest that appraisals had not taken place during the Covid pandemic. The data showed where an employee had an appraisal in the previous 15 months. (This had been extended to 18 months during the pandemic.) Staff were encouraged to come back to the offices and to have regular team meetings, 1-2-1s and appraisals on a face-to-face basis. The Council had started hybrid working in 2010, which was well before the start of the pandemic.

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- The 2024 implementation date for the new HR and payroll system was because there was an existing contract in place. The system was in the process of being procured and would be implemented and thoroughly tested before going live.
- The RAG rating was in addition to the percentage figures.
- Some services had very small numbers of people, so the percentages could be significantly affected if only a small number of staff did not have appraisals.
- Officers did not have figures to hand for the number of staff subject to detailed supervision sessions, but these were mostly in Adult Social Care due to the nature of their roles.
- The reason for slippage in the timescales for implementation of the new systems were related to resources within HR and changes to the priorities for HR, with a shift in focus to recruitment and retention.

37. Revenue Financial Performance Report Quarter Two 2022/23

Joseph Holmes presented the Revenue Financial Performance Report for Quarter Two 2022/23 (Agenda Item 10).

Members made the following points:

- Members asked for the table showing spend on agency staff to be included in the version of the report that was taken to Executive.

Action: Include the agency spend table in the Revenue Financial Performance Report.

- The moratorium on recruitment in Planning would remain until the Place Review had been completed, which would not be until March 2023. Members wondered how long it would take for agency costs to be addressed.
- Housing was facing significant pressures in relation to temporary accommodation. Significant amounts were already being spent on hotel accommodation and demand and this was likely to increase due to cost of living increases. Members were aware of cases where residents had been evicted by landlords and rents had been put up by significant amounts.
- The financial position had improved, with a reduced level of overspend. However, reserves were being utilised. It was suggested that the report should include a table of reserves.

Action: Include a table showing levels of reserves in the Revenue Financial Performance Report.

- Previously recruitment freezes had caused the performance of the Planning Development Management service to dip and Members were keen to avoid similar issues elsewhere this time.
- Announcements in the Autumn Statement would positively affect the Council's financial position.
- The tables on page 5 and 7 appeared to show an error affecting the totals.

Action: Review the figures in the tables on pages 5 and 7 of the report.

Officers responded to the points made as follows:

- It was confirmed that there was no moratorium on recruitment to essential Planning posts and the Council was going to market to recruit to several Development

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Management posts to replace the current temporary posts. This included Enforcement posts. Recruitment was also being undertaken for the Planning Policy posts. However, it was noted that the jobs market was challenging.

- The rising costs of temporary accommodation was a reflection of the current economic position. The Council was housing those it was able to and options for reducing demand and costs were being considered.
- The recruitment freeze applied to most posts, but recruitment was still underway for essential posts, including in Adult Social Care and Children's Social Care.
- The vast majority of earmarked and risk reserves would be utilised and the Council was in difficult financial circumstances. However, inflation was at a level that had not been seen for 40 years.
- It was hoped that by Quarter 3, Government funding in relation to Adult Social Care discharge would come through to support the financial position and reduce the call on reserves. The final settlement was expected around 21 December. However, there was currently a funding shortfall of around £15 million, which was substantially higher than any previous savings that the Council had delivered, and the additional funding would be significantly less than the shortfall.

38. Capital Financial Performance Report Quarter Two 2022/23

Joseph Holmes presented the Capital Financial Performance Report for Quarter Two 2022/23 (Agenda Item 11).

Members made the following points:

- The iCollege project had been delayed due to delays in appointing the contractor and accessing the site - this would be an issue for those students who were in alternative provision. Members wondered if there was any additional information on this project.
- The forecast underspend on the A4 Faraday Road improvements were noted and Members asked what this related to.
- Members asked about the cost of reprofiling £17.9 million of capital expenditure.

Officers responded to the points made as follows:

- The Council remained committed to the iCollege project. There was no additional information beyond what was in the report. It was noted that there were significant cost increases on all construction projects.
- The A4 Faraday Road scheme was linked with the Robin Hood Roundabout scheme. The Council was looking at enhanced active travel provision. The scheme was part-funded from S106 contributions from the North Newbury Development, but a bid for government funding had been unsuccessful. Highways was reviewing the schemes to see what could be delivered. The schemes needed to be progressed together for reasons of economies of scale.
- It was explained that capital financing costs were not applied until the next financial year. Reprofiling spend into next year would mean that the Council would pay less capital payments in 2023/24, but there would be an additional cost in 2024/25. The Council would normally put £600,00 into the budget for capital financing costs – this reprofiling would represent £428,000 based on current interest rates. However, this could change if interest rates changed in future years.

39. West Berkshire Local Flood Risk Management Strategy (including North and East Thatcham Flood Alleviation Scheme)

Jon Winstanley (Service Director – Environment) presented the report on the Flood Risk Management Strategy and North and East Thatcham Flood Alleviation Scheme (Agenda Item 12).

Members made the following points:

- Members had been impressed with the schemes that had been delivered.
- There was praise for the contribution to flood risk management of Stuart Clark who had passed away earlier in the year. There was also praise for Carolyn Richardson and other partners involved in the emergency response.
- However, it was suggested that the Council would need to devote greater resources to flood prevention in future. An impending National Infrastructure Forum report would highlight that most properties had a 60% chance of being flooded within the next 30 years (this was a national figure and further work would be needed to understand the local situation).
- Mapping of surface water flooding was improving.
- The Council needed more flood wardens and more local knowledge input to flood risk management planning.
- Ward Members were encouraged to attend their local flood wardens meetings.
- It was suggested that a future OSMC Task and Finish Group could look at the impact of the water cycle on the Council's activities.
- The Council needed additional staff resources devoted to flood risk management.
- Planning officers and planning committee Members needed better education on the water cycle.
- There was a backlog of maintenance work on sustainable drainage schemes and there was a risk that this responsibility would come to local authorities with no additional funding.
- The government expected that £56 million would need to be spent on flood risk management within the next 20 years.
- Most people did not know what surface water flooding meant, or the risk that they were exposed to, and that risk would only increase over time.
- West Berkshire Council needed to work with the Local Government Association to ensure that the Lead Local Authority Role was properly recognised and resourced.
- A variety of flooding issues had been raised in relation to sites within Basildon Ward. There appeared to be a public perception that local authorities had cut back on gully /drain clearing operations.
- Insurers had highlighted that flood risk was increasing.
- Clarification was sought as to whether the scheme at Blandys Hill was a Council scheme or a Thames Water scheme.

Officers responded to the points made as follows:

- The Council had a good Flood Risk Management Team and a new Team Leader would be appointed in due course.

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- There had been a lot of work undertaken in relation to mitigation of surface water flooding, and mapping of flow paths.
- Groundwater also posed a significant risk and this was more difficult to address.
- The Council had been successful in securing funding and had done some good groundwork.
- Strategic flood risk assessments were carried out to inform the Local Plan.
- A Surface Water Management Plan was in place for key flood risk areas.
- The Local Flood Forums would help to identify where future efforts should be focused.
- Rainfall in November had been 210% of the average for the month, which had coincided with autumn leaves falling and it was suggested that this may have affected the public's perceptions regarding surface water flooding issues. The Council was responding to requests to clear gullies / drains and budget cuts were not considered to be the issue.
- It was confirmed that Blandys Hill was a West Berkshire Council scheme.

40. **Health Scrutiny Committee Update**

This item was not discussed as the Chairman of the Health Scrutiny Committee was unable to attend the meeting to present her report.

41. **West Berkshire Council Forward Plan September to December 2022**

The Commission considered the West Berkshire Forward Plan (Agenda Item 14) for the period covering September to December 2022.

Members had no comments in relation to items on the Forward Plan.

It was noted that from next year, the Forward Plan would look further ahead to allow OSMC to better plan its work programme.

42. **Overview and Scrutiny Management Commission Work Programme**

The Commission considered its work programme for the remainder of 2022/23.

It was noted that an additional meeting was provisionally proposed for March 2023. This would be reviewed in the New Year to see if it was still needed.

(The meeting commenced at 18:30 and closed at 21:07)

CHAIRMAN

Date of Signature