

## Overview & Scrutiny Committee

Monday, 21st September, 2015

6.00 - 8.15 pm

Attendees	
<b>Councillors:</b>	Tim Harman (Chair), Colin Hay (Vice-Chair), Chris Mason, Dan Murch, John Payne, Chris Ryder, Garth Barnes (Reserve) and Rob Reid (Reserve)
<b>Also in attendance:</b>	Councillor Klara Sudbury, Saira Malin and Councillor Matt Babbage, Councillor Steve Jordan (Leader), Paul Evans, Paul Dennison, Wayne Ellis (Severn Trent), Rob Bell (Ubico) and Scott Williams, Andrew North (Chief Executive), David Neudegg (2020 Vision programme), Councillor Bryan Robinson (Forest of Dean District Council), Councillor Klara Sudbury and Shirin Wotherspoon

### Minutes

**1. APOLOGIES**

Councillors McCloskey, Wilkinson, Britter and Holliday had given their apologies. Councillors Reid and Barnes substituted for Councillors McCloskey and Wilkinson respectively.

**2. DECLARATIONS OF INTEREST**

No interests were declared.

**3. MINUTES OF THE LAST MEETING**

The minutes of the last meeting had been circulated with the agenda.

Upon a vote it was unanimously

**RESOLVED that the minutes of the meeting held on the 29 June be agreed and signed as an accurate record.**

**4. PUBLIC AND MEMBER QUESTIONS, CALLS FOR ACTIONS AND PETITIONS**

None had been received.

**5. MATTERS REFERRED TO COMMITTEE**

No matters had been referred to the committee.

**6. FEEDBACK FROM OTHER SCRUTINY MEETINGS ATTENDED**

Councillor McCloskey had given her apologies and as such, an update on the Police and Crime Panel had been circulated with the agenda.

A written update on the Economic Development and Health and Care scrutiny committees had been provided by Councillor Clucas and circulated with the agenda.

Members were asked to contact the relevant member with any queries or comments.

#### **7. CABINET BRIEFING**

The Leader hoped that all members would be aware that a Gloucestershire devolution bid had been submitted on the 4 September 2015. This had involved a lot of work throughout August and resulted in a detailed 66 page document, which had been circulated to all members. It was now a case of waiting for Government's decision about who would be in the first stage. The themed groups that were set up to look at different aspects of the bid were ongoing and were now starting to look at the 'bottom lines' for all districts. He suggested that a task group should be set –up to look at the 'bottom line' for Cheltenham and having had a discussion with Mark Hawthorne, Leader of Gloucestershire County Council, he agreed that a unilateral discussion between CBC and the County would be useful.

#### **8. SEVERN TRENT**

Wayne Ellis, Paul Dennison and Paul Evans from Severn Trent introduced a PowerPoint presentation (attached at Appendix 1).

The following responses were given to member questions;

- Severn Trent tended only to engage with the Environment Agency (EA) when undertaking works and were not aware of the EA setting up any groups to look at particular issues.
- Severn Trent were not aware of any businesses in the Suffolks that were dissatisfied with the compensation they had received and would be interested to have specific details if this was the case.

Members made the following comments;

- In Prestbury ward, Severn Trent had needed to cut a trench through the entire length of the allotment site and having canvassed residents there had not been a single complaint, but almost a year on, the compensation claim had still not been settled. Severn Trent would raise this with the relevant department.
- Thank you to Severn Trent and Ubico for the considerable assistance they offered to the elderly residents in her ward during the works.
- Having heard nothing but positive feedback from residents, a member hoped that Severn Trent recognised the benefits of engaging communities. Severn Trent should be proud and other utilities companies could learn from their approach.

The Chairman thanked the representatives of Severn Trent for their attendance and congratulated them on a job well done.

No decision was required.

## **9. RECYCLING BULKING AND SALES - EXECUTIVE SUMMARY**

The Managing Director of Ubico, Project Sponsor and Richard Coole, the Project Manager, introduced the update as circulated with the agenda. The committee had reviewed the Project Initiation Document (PID) earlier in the year and in summary the project objectives were to bring the material bulking operation under Ubico on behalf of CBC and delegate the material marketing/sales responsibilities to the Joint Waste Team at Shire Hall. The Lead Officers on both streams of the project were reporting that the project was on track and there were no issues which would impact on project delivery.

The following responses were given to member questions;

- The market had always been volatile and could be affected by a number of things including the price of raw materials, emerging markets and the price of oil, though this impacted some materials and not others. This was a risk that the council had always and would always have to carry. The collection method used by Cheltenham resulted in a good quality material and this in turn meant that even when the market had crashed in the past, Cheltenham had always been successful in marketing its material.
- The traffic light system was not meant to mislead members, actions that were not yet completed were marked as green because they were on track and there was every confidence that they would be delivered on time.
- All partners had a different approach to waste, it was more expensive to collect waste that had been segregated at source but this resulted in a higher sale value and not segregating at source meant that it was cheaper to collect but would command a lower sale price. There were interesting arguments for both approaches.
- Income stream was a key output for the project and a strategic benefit. A long term aspiration would be to go out to market with waste from other partners, not just Cheltenham, although it was important that the highest quality was maintained.

A member commented that the move to sell the material as a commodity would put us in a better position than being tied into a contract at a less favourable rate.

The chairman thanked the Project Sponsor and Project Manager for their attendance and looked forward to the next update.

No decision was required.

## **10. 2020 VISION**

The Chairman advised that he was minded to allow councillors in attendance but not on the O&S Committee, to ask questions at the appropriate stage. The committee were comfortable with this.

Andrew North first explained that at the Member Seminar held the previous week, members had commented that they did not feel that David Neudegg, Interim Managing Director for 2020 vision, was as visible as they felt he could

be and with this in mind he had invited David Neudegg to attend, as well a range of Officers to who would provide expert advice if required.

Cheltenham Borough Council (CBC) was incredibly ambitious for the town and always striving for Cheltenham to be as good as it could be; something which was acknowledged by the Peer Review Team and reflected in their report addressed later on the Committee agenda. CBC did not keep large reserves, instead spending money to benefit the town and as a council it was prepared to borrow to fund such improvements. There were three elements which were key to enabling the council to deliver these ambitions; (1) the REST (Regulatory and Environmental Services Transformation) services which shaped the town's present and future (Planning, Licensing, Public Protection, etc); (2) key to place shaping was the Cheltenham Development Task Force which worked to develop sites across Cheltenham, not solely CBC sites; (3) the Engagement Team. Each of these three required a high degree of influence and control by Councillors and he could appreciate therefore, why Councillors did not want these services undermined.

The overarching ambition for 2020 Vision was "a number of councils, retaining their independence and identities, but working together and sharing resources to maximise benefit leading to more efficient, effective delivery of local services". The MTFS currently identified a funding gap over the next 4 years of £1.5m and he suggested that this was more likely to grow rather than reduce in the short term, meaning that in 5 years the council would either need to be spending £1.5m less or have increased revenues by this amount. The shared services which had been entered into to date had proved successful, not only in monetary terms, having saved the council £2.73m, but also in creating teams with a wider pool of expertise and greater capacity it had built resilience and offered staff increased career opportunities. The business case for 2020 identified annual savings to this council of £581k, with further savings of £227k which could potentially be achieved through the establishment of a local authority company and therefore have a significant role to play in closing the council's MTFS funding gap in the short to medium term. He stressed that the services being considered for sharing were not those place shaping functions earlier described, but support services such as customer services, revenues and benefits (including council tax collection) and property services, services which needed to be done well but not necessarily directly by this council.

The paper which had been circulated with the agenda outlined four options which ranged from full commitment (option 1) to full withdrawal (option 4) and as a council the decision should be based on; "how can we reap all of the benefits without losing our identity." Option 1 was for full membership of the 2020 Vision Joint Committee and Officer advice was that they were content to see this council sign-up to this model. It was important to note that Officers advised against Option 4, questioning how the council would be able to place shape effectively when financially it would operating with lack of money for future plans and investment. Options 2 and 3 were for consideration. Option 2, the "Arms-Length" option would see the council as a customer of the partnership venture and therefore likely to achieve less than the £581k and £227k savings discussed earlier. Option 3 and second in order of preference of Officers, was the "Preferred Partner" option and would see the council assume Observer status on the Joint Committee. Further, were the circumstances right,

rights would be sought to sign-up to the Teckal company and the governance arrangements that went with it.

David Neudegg thanked the committee for inviting him along and assured members that he would be available if they wished to extend future invitations. He explained that he was here in his role as Interim Managing Director of the 2020 Vision programme and was therefore representing all four partner authorities, including CBC. The individual councils had each, already undertaken sharing of services and at Cheltenham this included a diverse range of arrangements including the Cheltenham Trust, Ubico, Cheltenham Borough Homes and Go Shared Services (where the role of lead employer had been passed to Cotswold District Council). In 2014 the 2020 Vision Programme Board commissioned Activist to develop a strategic business case and at that time all partners were clear that they wanted to maintain their democratic mandate and have a minimal impact on councillors and customers. Two options were outlined in the Activist report; the first for a Joint Committee and the second for a Teckal company. The second option was the preferred one for three of the four partners and therefore the suggestion was that a Joint Committee would be created, before moving to a Teckal company after 18 months. These joint proposals were set out to the Member Governance Board (MGB) in June, at which stage Cheltenham asked that the link between trusted advisors and local authorities be strengthened. CIPFA carried out a quality assurance review of the business case, finding it to be robust and noted their belief that more substantial savings could be achieved from a deeper collaboration.

David Neudegg suggested that at a strategic level, councillors would have three questions; (1) does the Joint Committee adversely impact CBC. He assured members that the Joint Committee would be responsible for the on-going strategic delivery and governance to the required standards set out in the s101 Agreement(s) of all partners and not individual partners. This was clearly defined in the Terms of Reference for the Joint Committee; (2) the risk of organisation failure. As part of a collective this would mean four failures across the four partner organisations and there would be member oversight across all councils to ensure that this did not happen; (3) Impact on staff. A positive approach to staff engagement had been adopted at all four partner councils and staff workshops had been organised. At the start of the meeting he had circulated a joint statement (Appendix 2) from the other three partners (Cotswold, West Oxfordshire and Forest of Dean District Councils) in response to the four options that Cheltenham would be considering. The three partners urged Cheltenham members to support the recommendations of the MGB and join them as a full and welcome partner of the 2020 Partnership. Were Cheltenham to decide upon any of the other options, they would respect this decision and would hope to maintain a positive relationship. The alternative options being considered by Cheltenham had not been evaluated in great detail by the other partners at this stage, however, they were willing to undertake an independent review of the options, if necessary. The statement suggested that fears about decisions being taken that would adversely affect one partner were ill-founded, with no evidence of this having occurred over the established history of partnership working (GO Shared Services, Ubico or the 2020 Vision partnership). David Neudegg felt that the worse scenario for partners and staff was a hesitant partner; instead wanting partners who were positive and fully engaged.

The Chairman referred members to the paper which asked that the committee form a view on whether Cabinet should consider alternative options for sharing with the 2020 Vision partner councils.

Andrew North and David Neudegg gave the following responses to questions from members of the committee, as well as non-members who were in attendance;

- Engagement with members had been consistent at all partner councils, though debate at Cheltenham's Cabinet and recent Member Seminar had differed from those at other partners given the discussions about alternative options, which had not been repeated elsewhere.
- The other partners have confirmed that they would be willing to undertake an independent review of the options, however, this would not be as in-depth as the previous review and they had been clear that they do not want to delay the timescales any further.
- Full details of the functions and activities delegated to the Joint Committee were outlined in the draft constitution and included HR policies and procedure, finance and procurement rules and ICT network infrastructure. The constitution defined the powers that this council would delegate to the Joint Committee, who would in turn appoint David Neudegg to carry out those functions. Cheltenham Borough Council would have its own lead Director for retained functions.
- David Neudegg currently spends 3 days a week in the role of Interim Managing Director of 2020 Vision and spreads his time between all four partner sites.
- The role of Interim Managing Director was interim until 2017 as the MD role may not be required if a Teckal company is formed.
- A suggestion which would probably be welcomed by other partner councils would be that of forming a Member Liaison Group which would allow non-Cabinet Members to have a role in formally monitoring the Joint Committee.
- Staff and Trade Unions had been briefed throughout the process and feedback had been positive. Staff saw this as an opportunity not just for savings but for resilience and an opportunity to be part of first class services in the future.
- Cheltenham were open to establishing a Teckal company from the outset and it would have been possible to extend the existing arrangements but other partners were more comfortable with a Joint Committee in the first instance. This should be seen as a stepping stone to a Teckal company as the move from one to the other was reasonably straightforward.
- In spite of the savings that 2020 vision would generate, there would still be a budget gap over the course of the MTFs and the Section 151 Officer had worked over the weekend to identify means of bridging the gap. Whilst it was not appropriate for him to divulge the detail to this committee at this stage, members could be assured that there was a plan. This was not to say that there would be no need for further savings in the future.
- It was agreed that as a council we needed to think about how we would scrutinise shared services going forward. There was an extent to which

joint scrutiny could be undertaken and though this had not been fully considered it would likely be very valuable and something that officers would like to see happen.

- The formation of a Teckal company would see existing staff continue with their Local Government pension, whilst all new staff would be offered a stakeholder pension.
- Option 3 would allow Cheltenham to build in certain rights with observer status and at a point in the future, once it was comfortable, have an option to sign-up in the future. This would be subject to negotiation with the partner councils. This would undoubtedly require more time and effort, including having to get CIPFA back and would ultimately result in fewer savings. Officers appreciated that some members had concerns about governance and considered Option 3 to be a compromise but notwithstanding this, Officers were still recommending Option 1; full membership.
- As a full partner Cheltenham would still have the right to say which services it wanted to share and which it did not and if it was important to Cheltenham to keep REST back indefinitely then it could legitimately do so.

Councillor Bryan Robinson, Deputy Leader from Forest of Dean District Council was in attendance and accepted an invitation from the Chairman to share his thoughts on the Options being considered. He was of the opinion that existing shared services such as GO and ICT had proved effective and demonstrated potential to continue and build upon successes to do more. He would very much like to see Cheltenham choose Option 1 and felt that it would be a disservice to Cheltenham for them to be anything other than a full partner.

A member voiced support for Option 1 which he considered to be the right decision for Cheltenham. GO shared services had generated greater savings than originally expected and had resulted in a more resilient service which could retain staff and use systems that alone, it would have been unable to afford. He felt that at this stage, members needed to be clear and honest about their concerns.

The Chairman was of the view that Option 1 best served the interests of Cheltenham, its residents and staff and members agreed that this, the unanimous view of the committee, should be passed to Cabinet. The Chairman would attend Cabinet on the 13 October to present the views of this committee.

The Chairman thanked the Officers and members who had attended the meeting.

## **11. LGA PEER REVIEW - ACTION PLAN UPDATE**

The Chief Executive introduced the report as circulated with the agenda. He was pleased with the huge amount of progress that had been made since the LGA Peer Review in September 2014 and asked the committee to consider whether, given the progress that had been made, there was any value in having the Peer Review Team back to look at progress. He had formed part of two Peer Review Teams in the past and suggested that follow-up visits were often requested by councils to have their achievements recognised and commended rather than in the expectation that more recommendations would be made. Notwithstanding the organisation and cost associated with such a visit, officers

were so stretched at the moment that they would unlikely be able to accommodate a return review and therefore he had to recommend that the Peer Team were not invited to return.

The Chairman was satisfied that progress was being made and suggested that it was the role of this committee to ensure that progress continues to be made.

Upon a vote it was unanimously

**RESOLVED that;**

- 1. Progress, as set out on the LGA Peer Review action plan update, be noted.**
- 2. There would be little value to inviting the Peer Review Team to undertake a follow-up, given the progress that has been made and instead the committee would review progress again in another 6 months.**

**12. SCRUTINY ANNUAL REPORT 2014-15**

The Chairman introduced the scrutiny annual report 2014-15 as circulated with the agenda. The report detailed some of the successes from last year and outlined some of the areas of focus for the coming year.

Upon a vote it was unanimously

**RESOLVED that the Annual Report of Overview and Scrutiny 2014-15 be endorsed and forward to Council to be noted.**

**13. UPDATES FROM SCRUTINY TASK GROUPS**

The Democracy Officer gave the following updates on various scrutiny task groups;

Cycling and Walking STG – the task group had concluded their review and were in the process of establishing implications for the numerous recommendations they planned to make in the final report. This was scheduled on the work plan for the next meeting of the committee.

Railway STG – the report and recommendations had been finalised and agreed. This report was now ready for consideration at the next meeting of the committee (26 October).

Shopmobility STG – the STG report was considered by Cabinet in July, at which point they resolved to consult on the future delivery of Shobmobility. Cabinet considered the results of the consultation at their meeting on the 15 September and resolved: to the relocation of the service to The Horse and Groom, St. Georges Place; that a commissioning process for the service would commence in January 2016; and in the interim a review of fees and funding sources would be undertaken in conjunction with the 2016/17 budget setting process.

Broadband STG – three members from Cheltenham and two from Gloucester City had volunteered for the task group. Arranging the first meeting had proved difficult but had since been set for the 20 October 2015. Councillor hay



suggested that the group contact Nigel Riglar at GCC as he had been undertaking some work with Fastershire to identify the blackspots in the county.

Devolution STG – an email would be sent to all non-executive members inviting them to be involved in a task group to maintain an overview of the ongoing discussions in relation to devolution and Cheltenham's position. It was suggested that it would be useful to have a mix of Borough, County and Parish Councillors on this group.

#### **14. REVIEW OF SCRUTINY WORKPLAN**

Members were referred to the committee work plan which had been circulated with the agenda.

As previously discussed, the committee would be receiving final reports of the Cheltenham Spa Railway Station and Cycling & Walking scrutiny task groups at the next meeting.

The Chairman confirmed that he had received an email from Gill Morris on the Tourism Strategy and was inclined to schedule a presentation of the draft report on the 30 November meeting. The committee agreed.

It was also confirmed that the Chairman had arranged for representatives of the Gloucestershire NHS Trust to attend a meeting in April 2016 to give the committee more information on their future plans for Hospitals across Gloucestershire.

In response to a member query about the Strategic Partnerships, the Chief Executive confirmed that a presentation on this very topic had been arranged for immediately prior to the upcoming Council meeting (19 October).

The work plan would be updated as necessary.

#### **15. DATE OF NEXT MEETING**

The next meeting was scheduled for the 26 October 2015.

Tim Harman  
**Chairman**

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