

**SCRUTINY COMMISSION
12TH OCTOBER 2020**

PRESENT: The Chair (Councillor Seaton)
The Vice-Chair (Councillor Hamilton)
Councillors Bolton, Hadji-Nikolaou, Brookes,
Ranson and Parton

Councillor Morgan (Leader of the Council) and
Barkley (Deputy Leader of the Council and
Cabinet Lead Member for Finance and Property
Services)

Chief Executive
Strategic Director; Commercial Development,
Assets and Leisure
Information Development Manager
Democratic Services Manager and Democratic
Services Officer (SW)

APOLOGIES: Councillor Grimley

The Chair stated that the meeting would be recorded and the sound recording subsequently made available via the Council's website. She also advised that, under the Openness of Local Government Bodies Regulations 2014, other people may film, record, tweet or blog from this meeting, and the use of any such images or sound recordings was not under the Council's control.

56. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting of the Commission held on 14th September 2020 were approved and signed.

57. DECLARATIONS OF PECUNIARY AND PERSONAL INTERESTS

No disclosures were made.

58. DECLARATIONS OF THE PARTY WHIP

No declarations were made.

59. QUESTIONS UNDER SCRUTINY COMMITTEE PROCEDURES 11.16

No questions were submitted.

60. REVIEW OF SCRUTINY FUNCTION ARISING FROM THE COVID-19 PANDEMIC

A report of the Head of Strategic Support to enable the Commission to review the scrutiny function arrangements put in place on the advice of the Centre for Public

Governance and Scrutiny (CfPGS) in light of the Covid-19 pandemic was considered (item 6 on the agenda filed with these minutes).

The Democratic Services Manager assisted with the consideration of this item and the following summarises the discussion:

- i. It was recognised that the reinstatement of the existing Directorate-based Scrutiny Committees would not be appropriate at this time. The impact of Covid-19 on the Council remained significant and it was agreed that Council resources would be most appropriately directed towards this. The Commission considered that a suitable date for reviewing the paused scrutiny function would be the meeting scheduled for 8th March 2021.
- ii. There had been a restructure of the Council's Directorates, which meant that the existing Directorate-based Scrutiny Committees no longer reflected the current structure. Deferring the reinstatement of the Committees would allow for the development of a more suitable and effective scrutiny meetings structure.
- iii. The Commission agreed that it would be beneficial to receive updates from the Council's remaining Covid Recovery Cells; Community and Economic. The Organisational Recovery Cell was no longer in operation and the work streams were being addressed elsewhere. These updates would be received by the Commission on an alternating basis, starting with an update from the Community Recovery cell at its meeting in November.
- iv. It was recognised that members of the Directorate-based Scrutiny Committees should continue to be provided with an opportunity to scrutinise items. In order to fulfil this requirement, a process was agreed which would involve identifying items for discussion from the respective Committee work programmes paused in April 2020. Members should communicate items to the Chair of the relevant Committee and the Chair and Vice Chair of the Scrutiny Commission. Identified items would then be considered by the Scrutiny Commission at the relevant meeting.
- v. A further process was agreed to allow for Directorate-based Scrutiny Committee members to help scrutinise pre-decision scrutiny items. Items selected by the Scrutiny Commission for pre-decision scrutiny would be communicated to committee members following agenda publication. Committee members would then be encouraged to highlight comments to members of the Scrutiny Commission to raise at the relevant meeting of the Scrutiny Commission.

RESOLVED

1. that the suspension of the current cycle of directorate-based Scrutiny Committee meetings and Scrutiny Panel work continue, with a further review date in March 2021.
2. that the Scrutiny Commission received updates from the remaining Covid Recover cells; Community and Economic. These would alternate, starting with

an update on the Community Recovery cell at it's meeting on 16th November 2020.

3. that Directorate-based Scrutiny Committee members highlight important items from the respective Scrutiny Committee work programmes to the Chair of the relevant committee and the Chair and Vice Chair of the Scrutiny Commission. Identified items would then be considered by the Scrutiny Commission at the next available meeting.
4. that to facilitate pre-decision scrutiny, Directorate-based Scrutiny Committee members be advised on agenda publication day of the items selected for pre-decision scrutiny and highlight comments to members of the Scrutiny Commission to raise at the relevant meeting of the Scrutiny Commission.

Reasons

1. To ensure that Council resources are focussed in the most appropriately.
2. To ensure that the Commission is kept informed on the Council's Covid recovery efforts.
- 3&4. To ensure that members of the Directorate-based Scrutiny Committees continued to maintain a voice within the Council's scrutiny function during the temporary measures agreed.

61. AUDIT UPDATE

An issue had been raised outside of the meeting by the Independent Chair of the Audit Committee regarding working balance and the requirement of further savings or increases in income and it was

RESOLVED that the Chair of the Scrutiny Commission would discuss this with the Lead Member and the Chair of the Budget Scrutiny Panel outside of the meeting.

Reason

To ensure that the issue highlighted was considered.

62. PRE-DECISION SCRUTINY OF ANY SPECIFIC FINANCIAL MATTERS TO BE CONSIDERED BY CABINET

There were no items of this nature for the Commission to consider.

63. CABINET ITEMS FOR PRE-DECISION SCRUTINY

The following items were identified for pre-decision scrutiny from the Cabinet agenda for 15th October 2020.

64. CHANGES TO THE PROCUREMENT SERVICE

A Cabinet report of the Strategic Director of Commercial Development, Assets and Leisure seeking authority to enter into a Service Level Agreement (SLA) with Nottingham City Council and seeking delegations to conduct negotiations and enter into said agreement was considered for pre-decision scrutiny (item 9a on the agenda filed with these minutes).

The Deputy Leader and the Strategic Director of Commercial Development, Assets and Leisure assisted with the consideration of this item. The following summarises the discussion:

- i. The enhanced procurement service proposed in the SLA would see an improved delivery experience for projects undertaken. The reputation of Nottingham City Council was positive in terms of service delivery and their commercial nature was proactive. The service delivery team at Nottingham City Council was large and accomplished and had the capacity to provide valuable and efficient procurement to the Council.
- ii. Prior to entering into the SLA, Legal Services at the Council would advise and assist in the development of a Memorandum of Understanding. This would provide an interim measure to ensure both Local Authorities involved were informed of the intent and would guide the working relationship established during the preparation of the SLA. It was recognised that the proposed SLA was robust, and the Memorandum of Understanding would be a temporary solution to ethical and governance principals, meaning that any potential issues or time delays in establishing the SLA were avoided.
- iii. The Council had explored at a high level alternative procurement options before identifying the most appropriate method of delivering a quality procurement service which was the best value for money. This included an extensive review of partnership working and a localised area review.
- iv. It was anticipated that entering into the proposed SLA would deliver residual savings of £15,000 annually, although there was potential for further savings and cost avoidance through the arrangements. It was necessary for the Council to ensure the relevant expertise and professionalism was involved in the procurement process to ensure savings were determined and delivered.
- v. There were existing contracts with large external organisations maintained by the Council and the future procurement of these services would be time consuming and labour intensive. The balance between potential establishment savings and the level of resource that the Council currently had was an indication that the SLA with Nottingham City Council was appropriate.
- vi. The proposed arrangements would be suitable for all procurement services that the Council would require. This included procurement processes of goods and services at all levels of spend.
- vii. The Council was confident that there was protection in place and that the arrangements were fair, balanced and mutually beneficial. In the event that the arrangements were not of the standard required by the Council and the service

- did not meet the key performance indicators then the Council would have the option to terminate the arrangement. The SLA would include a three-year minimum term, after which the Council could terminate after providing 12 month's notice.
- viii. It would not be financially viable for the Council to establish their own outsourced procurement facility as this would incur a significant cost. The provision at Nottingham City Council was established, experienced and convenient.
 - ix. There was a moderate risk that Council employees did not engage with the service provided by Nottingham City Council and this was based upon previous experience of partnership working arrangements. The proposed arrangements would involve adopting new contract procedure rules and new working methods and service users would be required to accept and comply with these.
 - x. The existing Senior Procurement Officer at Charnwood Borough Council would remain in post and provide liaison with the partner authority. This would be on a basis which reflected the needs of the service. There would also be an Officer allocated to support the requirements of the Council by Nottingham City Council.

RESOLVED that the Cabinet be informed that the Commission supports the recommendation as set out in the report of the Strategic Director of Commercial Development, Assets and Leisure.

Reason

The Commission, having carefully considered the report, felt the Cabinet should approve the recommendation set out.

65. COMMERCIALISATION POSITION STATEMENT

A Cabinet report of the Strategic Director of Commercial Development, Assets and Leisure containing the Council's Position Statement on Commercialism and how it intended to realise the initiative was considered for pre-decision scrutiny (item 9b on the agenda filed with these minutes).

The Leader of the Council, the Chief Executive the Strategic Director of Commercial Development, Assets and Leisure assisted with the consideration of this item. The following summarises the discussion:

- i. The Commercial Investment Strategy was distinct from the Commercialisation Position Statement. The Council would be required to reduce costs in addition to generating commercial income in order to improve the Council's financial situation and deliver the Medium Term Financial Strategy. The balance of these two aspects was flexible and the Council would ensure regular monitoring and reporting of the balance achieved.

- ii. Internal commercialisation and investment, such as the proposals put forward as part of the Loughborough Town Deal were possible and the Council had commissioned expertise in order to realise the initiatives put forward. Any investment the Council was involved in would be accompanied by a robust, statutory compliant and auditable business case.
- iii. The sale of existing assets was possible but would be carefully considered to ensure there would be no detriment to the delivery of Council services or efficiency.
- iv. The Council was risk aware and statutory obligations meant that there was an objective judgement on the commercial strategy of the Council, meaning an appropriate level of risk mitigation and risk analysis was undertaken. Officers within the Council had an opportunity to challenge ideas and the Council would also seek professional advice externally if this was required.
- v. Charnwood and its unique attributes were attractive to private investors. The Local Plan, the Loughborough Town Deal proposal and the Enterprise Zones provided a significant opportunity for development. The Council regularly engaged with local businesses to support effective working relationships and this had continued throughout the pandemic.
- vi. The Council would focus on generating surplus income and reducing subsidy, commissioning and behaving commercially in order to help satisfy the Medium Term Financial Strategy.

RESOLVED that the Cabinet be informed that the Commission supports the recommendation as set out in the report of the Strategic Director of Commercial Development, Assets and Leisure.

Reason

The Commission, having carefully considered the report, felt the Cabinet should approve the recommendation set out.

66. SCRUTINY COMMISSION PRE-DECISION SCRUTINY - CABINET RESPONSE

A report of the Cabinet was considered setting out its responses to the recommendations of the Commission on pre-decision scrutiny items (item 10 on the agenda filed with these minutes).

An error in the report was highlighted where it was stated that the Chair of the Scrutiny Commission attended the meeting of the Cabinet on 9th July 2020. This should read that the Chair of the Scrutiny Commission attended the meeting of the Cabinet on 17th September 2020.

RESOLVED that the Cabinet's responses to the Commission's recommendations be noted.

Reason

The Commission was satisfied that it added value where appropriate and welcomed the Cabinet's consideration of the Commission's views and recommendations as part of its decision making process.

67. SCRUTINY COMMISSION WORK PROGRAMME

A report of the Head of Strategic Support was considered to enable the Commission to review its own work programme, including considering the list of forthcoming Executive Key Decisions in order to schedule items for pre-decision scrutiny (item 11 on the agenda filed with these minutes).

The Democratic Services Manager assisted with the consideration of this item. The Commission made the following changes to the work programme:

- i. Requested at the Scrutiny/Audit Chairs' and Vice Chairs' meeting - Retrospective Review of Commercial Property Purchases - To include what due diligence has taken place, how the criteria in assessing the suitability of the commercial opportunity was scored, how the process was applied -16th November 2020.
- ii. Community Recovery Cell Update – 16th November 2020.
- iii. Housing Planning, Regeneration and Regulatory Services Scrutiny Committee work programme – Five Year Housing Land Supply Update - To provide an update to the Committee on the status of the five year Housing Land Supply irrespective of whether it drops below 5.5 years – 16th November 2020.
- iv. Neighbourhoods and Community Wellbeing Scrutiny Committee Work Programme – Community Safety Partnership - To review the work of the Community Safety Partnership on a six- monthly basis, to enable any issues to be identified for further scrutiny by the appropriate scrutiny body and to enable incidences of violent crime to be monitored – It was suggested that this could be included in the Community Recovery Update item to be received by the Scrutiny Commission on 16th November 2020.
- v. Pre-decision scrutiny - Shepshed Town Centre Public Realm Improvement Project - To consider approval of preferred scheme design following public consultation, entering into legal agreements with County Highways Authority to develop final technical scheme design, entering into contracts to commission consultants to develop proposals further and acceptance of grant funding towards project from LLEP Business Rates Pool – 16th November 2020.
- vi. Pre-decision scrutiny – Bedford Square Gateway Project - To consider approval of the final scheme design and proceed to the appointment of contractors to deliver the street works – 16th November 2020.
- vii. Economic Recovery Cell Update – 7th December 2020.

- viii. Pre-decision scrutiny - Equality, Diversity and Inclusion Strategy 2020-2024 - To approve/adopt a revised Equality, Diversity and Inclusion Strategy 2020-24 – 7th December 2020.
- ix. Pre-decision scrutiny - Discretionary Private Sector Housing Licensing Scheme Proposals - To approve proposals for a Private Sector Licensing Scheme following the consultation exercise. To approve the Communication Strategy for the promotion and implementation of the Private Sector Licensing Scheme. To authorise the resources required to implement and resource the Private Sector Licensing Scheme – 7th December 2020.
- x. Draft Annual Scrutiny Report 2019-20 – This will now represent two years from 2019 – 2021 – 6th April 2020.
- xi. A special meeting of the Scrutiny Commission to be scheduled for 4th January 2021 in order to consider a report to a special Cabinet on 7th January 2021 on Charnwood Local Plan Pre-Submission Consultation and Submission.

RESOLVED

1. that forthcoming Executive Key Decisions or decisions to be taken in private by the Executive, set out in Appendix 2 to the report, and scheduled scrutiny of those matters, be noted.
2. that the Commission's current work programme be noted.
3. that the work programme be updated in accordance with the items highlighted.

Reasons

- 1&3. To ensure effective and timely scrutiny, either to provide Cabinet with advice prior to it taking a decision or to ensure that the Council and external public service providers and partners were operating effectively for the benefit of the Borough.
2. To ensure effective and timely scrutiny.

NOTES:

1. No reference may be made to these minutes at the Council meeting on 9th November 2020 unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on the fifth working day following publication of these minutes.
2. These minutes are subject to confirmation as a correct record at the next meeting of the Scrutiny Commission.