

**CORPORATE SERVICES OVERVIEW AND SCRUTINY PANEL
5 October 2016**

PRESENT: Councillor Donald McQueen - Chairman; Councillor Stephen Bartlett - Vice-Chairman; Councillors Amedeo Angiolini, Derek Borthwick, Ian Clark, Laurence Fear, Pat Oakley, Nick Rose and Gill Seymour.

ALSO PRESENT: Councillor John Beesley - Leader of the Council, Chair of the Cabinet and Resources and Councillor Anne Filer, Cabinet Member for Corporate Efficiency.

OFFICERS:

Tony Williams, Chief Executive
Julian Osgathorpe, Executive Director, Corporate Services
Adam Richens, Service Director, Strategic Finance and S151 Officer
Clare Matthews, Policy, Strategy and Performance Manager
Saskia de Vries, Head of HR
Gary Platt, Head of Property
Martin Wilkins, Policy and Support Manager (Property)
Tom Rennie, Interim Service Director, Transition

The meeting commenced at 6.00 pm

Note: To see a copy of the public reports that were considered by the Committee at this meeting please visit:

<http://www.bournemouth.gov.uk/councildemocratic/CouncilMeetings/CommitteeMeetings/CorporateServicesOverviewandScrutinyPanel/2016/10/05/CorporateServicesOverviewandScrutinyPanel05-Oct-2016.aspx>

SECTION I - BUSINESS RECOMMENDED TO THE COUNCIL

No items

SECTION II - BUSINESS DECIDED UNDER DELEGATED POWERS

33. APOLOGIES

Apologies were received from Councillor Gina Mackin.

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34. SUBSTITUTE MEMBERS

Notification was received of the following substitute for this meeting only:

- Councillor Pat Oakley to replace Councillor Gina Mackin

35. DECLARATIONS OF INTEREST

There were no declarations of interest made at this meeting.

36. CONFIRMATION OF MINUTES

The Panel reviewed the minutes of the meeting held on 13 July 2016 and considered the action points arising from the meeting.

DECISION MADE:

1. That the minutes of the meeting of the Corporate Services Overview and Scrutiny Panel held on 13 July 2016 were confirmed as a true and accurate record.
2. That the action points arising from the above meeting were agreed.

37. PUBLIC ISSUES

A Public Questions

There were none

B Deputations

There were none.

C Petitions

There were none.

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38. SCRUTINY OF THE MEDIUM TERM FINANCIAL PLAN (MTFP) UPDATE REPORT TO CABINET 20 JULY 2016 (including proposed three year Efficiency Plan and strategy on the flexible use of capital receipts)

The Panel considered a report on the above which provided an opportunity to scrutinise the process within which the Council prepares a Medium Term Financial Plan and balanced Budget for 2017/18.

The Chairman sought clarification on the budget monitoring process in respect of the in-year budget position. The Service Director, Strategic Finance reported that at the end of July 2016 a £4m overspend was forecast. He explained that this was not unusual compared to previous years when a surplus had been achieved. The Service Director, Strategic Finance reported that due to strong financial management it was clear that every effort was taken by the Cabinet, Executive Directors and Service Directors to achieve a balanced budget. The Panel was informed that the budget was fully considered as part of the continual budget process that the Council operates and the refresh of the MTFP. The Chairman indicated that the foundation for the process was anticipating what budget issues arise. The Service Director, Strategic Finance outlined the timetable for the budget process which was set out in the report considered by the Cabinet on 20 July 2016.

The Vice-Chairman asked if there had been any improvements in the budget position in the service areas highlighted at Cabinet in September 2016. The Service Director, Strategic Finance reported that good progress had been made in Adults and Children's Services. He explained that in respect of Environment and Economy the situation was ongoing. The Panel was informed that there were challenges and the budget position was continually monitored.

In response to a question the Service Director explained that approval had been given to submit an efficiency plan and Bournemouth was one of the first authorities in the Country to do it which was accepted by the Government. Members were advised of how capital receipts would be used for the efficiency process and how capital receipts were being encouraged. The Service Director explained the prudential code indicating that the Audit and Governance Committee sets thresholds on borrowing. This guide provides an ability to assess the affordability of borrowing in supporting the MTFP.

The Chairman referred to the budget process and asked for clarification on the direction and development of the budget and if there were any policies on ring fencing. The Service Director reported that the funding gap over the next three years was expected to be £16.4m. He advised the Panel that Directors were working with Cabinet Members on programmes of efficiency and considering how targets would be met. The Service Director reported that the Cabinet report sets out the efficiency targets for each theme. Councillor Beesley, Leader and Cabinet Member for Resources reiterated the comments made by the Service Director, Strategic Finance and explained that the MTFP

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develops over the year. He reported that he was confident that the forecast in February would be for a balanced budget. Councillor Beesley reported that pressures would be created if a balanced budget cannot be achieved. He emphasised that there was a finite amount of time to deliver savings whilst highlighting that frontline services were protected. The Chairman commented on the consideration of non-statutory services. Councillor Beesley explained that all aspects were considered as part of the normal budget process. The Chief Executive reported on the consideration of transactional v transformational activity.

The Service Director, Strategic Finance explained that whilst the MTFP was a three year plan there was a statutory requirement to balance the budget each year and as indicated earlier there was a culture of strong financial management within the Council.

The Panel discussed aspects of the budget including opportunities for additional revenue. The Service Director, Strategic Finance reported that accepting the efficiency plan would create more stability. A Member sought clarification on the costs of temporary housing accommodation compared to previous years. The Service Director, Strategic Finance reported that as part of the budget monitoring process issues would be identified and consideration given to what the service can do. He explained that work had been done in this area including purchase of properties.

The Chairman highlighted the review of the reserves position. The Panel was informed that there was nothing unusual in reviewing the reserves position. Councillor Beesley reported that the S151 Officer would assess the risks in respect of reserves. He advised the Panel that the Council had previously built up reserves to provide additional funding for Adults and Children's. Members were informed that this had been undertaken with the intention of supporting vulnerable people. The Leader reported that the unearmarked reserves had previously built up to £22m for a particular use whilst earmarked reserves had reduced. The Service Director, Strategic Finance reported that earmarked reserves were set aside for a specific situation which was why they were reducing. The Vice-Chairman asked if there was any contingency plan. The Service Director reported that there was contingency in 2016/17 and consideration would be given to when this was released.

DECISION MADE:

That having considered the MTFP Update Report of 20 July 2016 the Panel was content with the process adopted to develop the MTFP and the necessary transformation required to balance the Council budget over the three years, 2017/18 to 2019/20.

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39. ANNUAL REVIEW 2015/16 - AMBITION 2020

Members considered a report on the Annual Review 2015/16 and how it could be used to inform Overview and Scrutiny Panel agendas.

The Chairman highlighted the opportunity to consider how the Annual Review could be used by Overview and Scrutiny Panels including how the Corporate Plan was developed. The Chief Executive reported that there was no point in a great vision if there was not a plan to support the vision. The Policy, Strategy and Performance Manager outlined the process for the development of the Corporate Plan and Annual Review. She reminded Members that the Corporate Plan Ambition 2020 identified the Council's 4 priority outcomes which remain the same. The Corporate Plan outlines what will be undertaken each year and the performance team manages progress. A review of the Corporate Plan was signed off by the Council in July each year. In January the process starts to look at next year's Corporate Plan whilst reflecting on what has been achieved in the previous year. The Panel was informed that the Corporate Plan links to Service Plans and Team Plans.

At the Chairman's request the Policy, Strategy and Performance Manager outlined her role which was the lead for the Corporate Plan and Service Planning. She commented on the process for service planning for 2017/18 which including providing advice and guidance to officers on the development of their service plans from June through to August, challenge sessions in September/October including considering budget implications followed by a consultation period on BIZ at the end of November and a revised draft plan available by end of February. It was acknowledged that this work would be undertaken in consultation with the relevant Cabinet Portfolio Holders and Plans would be effective from 1 April each year.

The Chairman asked how actively the Corporate Plan and Service Plans were used. The Chief Executive reported that there were a range of compliance checks including reports to Corporate Management Team, Quarterly Performance Reviews - QPR - with Cabinet and updates and reviews by Cabinet Members. The Chief Executive highlighted that more confident Councils prepare this type of framework and targets should be considered by Overview and Scrutiny Panels. The Cabinet Member for Corporate Efficiency reported that the work undertaken by the Policy, Strategy and Performance Manager and her team was really thorough and Service Directors provided with strong guidelines. In response to a question the Chief Executive reported that Officers find the Service Plans useful as it gives an ability to filter. The Chairman asked that Members were made aware of the Plans.

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The Leader of the Council thanked Clare Matthews, Policy, Strategy and Performance Manager for her work on Ambition 2020 and the Annual Review which measures the Council's performance and focusses on all areas in particular those where there are gaps. The Panel was informed that this was not just an internal document but a source of information for Ward Members. The Leader highlighted that Clare delivers on this process which was a great improvement on previous arrangements. The Chairman also took the opportunity to thank Clare on her work and asked how the document could be promoted more widely. The Policy, Strategy and Performance Manager reported that a number of the outcomes sit under the Overview and Scrutiny Panels and could provide guidance to the Panels in developing work programmes. A Member indicated that it would be useful for Overview and Scrutiny Panels to consider how they can input into the development of the documents.

DECISION MADE:

That having considered the Annual Review 2015/16 the Chairman liaise with the Chairmen of the other Overview and Scrutiny Panels to encourage them to use the relevant documents in developing their Forward Plans.

40. HR UPDATE: HR SERVICE IMPROVEMENT AND WORKFORCE PLANNING

The Panel considered a report updating on HR including progress since the transfer from the Kier Partnership and an outline of the workforce planning process and progress to date.

The Head of HR commented on the stabilisation phase of the transfer of services which included putting mechanisms in place to ensure performance was measured against existing KPIs to assess the impact of transition. She reported that KPI performance had remained the same. The Panel was advised of the integration of the Kier Team with the Council Team. The Head of HR outlined the process for improvement opportunities which were being scoped across five work streams - Advisory, Learning and Development, Recruitment, Operations and Strategy. Members were also advised of the development of performance plans for staff.

The Head of HR in response to a question explained that the feedback since the transfer of services back to the Council had improved, communication was good, expectations were clearer and staff felt engaged. The Cabinet Member for Corporate Efficiency thanked Saskia de Vries for her work on the transfer of services as staff morale was much higher and the service was working together. She also indicated that Managers were working with HR in a different way.

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The Chairman sought clarification on the balance between strategic and operational HR. The Head of HR commented on the development of workforce planning. The Executive Director, Corporate Services reported on the improvement in HR Services. He highlighted the refocus on staff in a change environment. The Executive Director reported that the biggest challenge was due to austerity and other issues such as Local Government Re-Organisation in Dorset and the role of staff in delivering services.

The Vice-Chairman commented on how HR was structured. The Head of HR reported that it was a centralised service with 4 Business Partners supporting service areas and an HR Operations Manager. She explained that the Manager was the decision maker with the role of HR in providing quality, timely advice to assist the Manager in their role.

The Head of HR reported on the development of workforce planning which was being undertaken on a service by service basis with an overall Workforce Plan for the Council. Members were advised that these plans would be linked to service plans. The Head of HR outlined the training available to support/develop the workforce. Members were advised that HR was currently improving and developing existing workforce planning further to provide data and trends in relation to staff turnover, age profiling and intelligence in relation to the supply of staff employed within scarce skills areas or specific occupations.

The Panel discussed the approach of the service in supporting Managers with the management of sickness absence, supporting staff with health needs including spotting the signs of mental health issues and increasing the wellbeing offer.

The Leader commented on the invaluable work undertaken by Saskia and the team in respect of the transfer of services from Kier to the Council. He commented on the development of Strategic HR and the role of Julian Osgathorpe, Executive Director working across both Bournemouth and Poole Councils which was essential.

DECISION MADE:

That having considered the report from the Head of HR the Panel was satisfied that plans were in place in developing the service and workforce planning.

41. DRAFT PERFORMANCE REVIEW OF THE CAPITAL STRATEGY & CORPORATE ASSET MANAGEMENT PLAN 2017-2020

The Panel considered a report presenting the draft CS CAMP Performance Review 2017 -2020. Officers explained that the purpose of the reports was to provide an update on:

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- a. Significant changes to the Council's asset portfolio in the past 12 months;
- b. The latest property performance indicators;
- c. Internal and external factors that will impact upon service delivery and Council assets over the next three years to identify key areas of change;
- d. Progress in implementing the CS CAMP Action Plan 2015-2018.

The Panel was invited to comment on and to challenge the Performance Review, which would help inform the subsequent development of the action plan. The Policy & Support Manager (Property) advised the Panel that the CS CAMP was approved by Cabinet and Council in February each year.

The Vice-Chairman congratulated officers on the professional report and indicated that it was a good tool to use in respect of the projects that the Council was undertaking. The Chairman asked officers what drives the Plan and how underutilised assets were identified. The Policy & Support Officer (Property) reported that the Corporate Asset and Carbon Management Group which includes Members and officers from different services across the Council considers the asset monitoring schedule. He explained that the process was supported by an underused asset policy. Members were advised that an evidence base was developed to enable the Group to consider the results and the best course of action for the future. The Panel was informed that it was the relevant service area who would develop a business case in consultation with the ward Councillors, Executive Team and Cabinet Members in determining the future of an asset. The Head of Property confirmed that the approach to each asset was on an individual basis with appropriate challenge and rigour.

The Chairman asked if the policy was to build assets or income. The Head of Property reported that the Council has a large estate of assets but not necessarily resources. He indicated that right sizing the estate was necessary and therefore consideration was given to an alternative use for any asset prior to disposal.

A Member commented on the installation of solar panels. The Policy & Support Officer (Property) reported that the Senior energy engineer would consider the benefit of solar panels - this team was managed by the Service Director, Housing and Communities. Members were advised that the financial viability of solar panels was diminishing.

The Head of Property, in response to a question, explained the arrangements in place for working with different landowners in the Borough, the approach in progressing development proposals with Landowners and explained that the Council had a good track record of land assembly.

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The Panel commented on the maintenance arrangements for Council assets and the available resources for repair and maintenance which were limited. A Member referred to the role of BH Live in maintaining its assets. The Head of Property Services explained that there were certain guarantees for these properties in respect of maintenance and landlord responsibilities. Members commented on the condition of a couple of assets including Southcote Road depot. The Head of Property explained that there was an opportunity to look at the depot in the longer term and allocate resources to make better use of the facility.

The Chairman asked officers about the implementation and operation of the IT system. The Head of Property reported that Bournemouth Council was moving to the same estates and facilities management IT system as the Borough of Poole and Dorset County Council. He explained that the Borough of Poole was supportive in respect of the initial planning and a migration date which was expected to be later this year. Members were informed that the new system had a proven track record. The Head of Property explained that there was nothing wrong with the existing system however there would be an opportunity to populate the maintenance requirements quickly.

The Leader of the Council highlighted the quality of the staff in the property team and congratulated Gary Platt and Martin Wilkins on the work that they do and how they represent the Council on property issues. He explained that backlog maintenance was a difficult issue but properties were maintained at a satisfactory level and were fit for purpose. The Leader reported that capital resources were limited and during the recession the decision was taken to stop disposal of properties. Members acknowledged that work was ongoing with Morgan Sindall in respect of the Bournemouth Development Company. The Leader highlighted the LGR proposals and the potential consideration of what was required.

DECISION MADE:

The Panel having considered the latest performance of the Council's assets was satisfied with the Plan which it felt was fit for purpose acknowledging a general reduction in portfolio, expertise in property management and proposals for capital capabilities.

42. KIER CONTRACT UPDATE

The Panel considered a report providing a final update on the transition of services previously delivered through the Partnership Agreement by Kier which came back into Council control on 1 June 2016.

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Tom Rennie, Interim Service Director - Transition reported on the financial closure position including, the reallocated service area budgets, the budget set aside for the transition of services which had proven to be adequate with a small overspend of £3.8k required to cover unforeseen National Insurance costs, the level of savings built in to the Medium Term Financial Plan which had been secured and following the closure of the project the business as usual activity. The Interim Service Director, Transition, in response to a question, explained that there was a small number of third party contracts still to be novated and work would be undertaken through procurement to simplify the contracts the Council has.

The Panel was advised of the settlement process closure position. The Interim Service Director reported that in line with the closure procedure Kier had supplied the Council with a final settlement cost submission which had been reviewed and challenged internally with a detailed response submitted to Kier. He explained that the Council awaits further contact from Kier and the Expert Determination process has been proposed to Keir. Members were informed that the termination process was detailed in the contract and allows the Council to use the Expert Determination route.

The Leader of the Council placed on record his thanks to Tom Rennie for his leadership and expertise in progressing the project. He indicated that the transfer had been seamless and he highlighted the work of the team who had contributed to the project. The Leader commented on the settlement process and reinforced the comments made by the Interim Service Director. The Chairman took the opportunity on behalf of the Panel of thanking Tom Rennie for all his work and professionalism with the project.

DECISION MADE:

That the Panel acknowledges the closure of the Transition report and delivery of all key operational objectives of doing so.

43. WORK PROGRAMME 2016/17

The Panel considered its work programme for 2016/17.

Members were advised of the proposed consideration of the LGR proposals and agreed that this item should be deleted from the Forward Plan.

The Panel discussed potential items for the work programme including Ambition 2020 and VFM relating to services areas.

DECISION MADE:


That the work programme be agreed subject to the above action.

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Council Amedeo Angiolini arrived at 6.30 pm

The meeting closed at 8.45 pm

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