

CORPORATE SERVICES OVERVIEW AND SCRUTINY PANEL

WEDNESDAY, 26 SEPTEMBER 2018

PRESENT: Councillors Eileen Quick, Gerry Clark, Paul Brimacombe and Hari Sharma

Also in attendance: Councillor Saunders

Officers: Russell O'Keefe, Rob Stubbs, Anna Robinson and David Cook.

ELECTION OF CHAIRMAN

Resolved unanimously: that Cllr Burbage be elected as Chairman and Cllr Clark as Vice-Chairman of the Corporate Services O&S Panel.

Cllr Clark in the Chair for this meeting.

APOLOGIES

Apologies for absence were received by Cllr Burbage, Cllr L Evans and Cllr Ilyas.

DECLARATIONS OF INTEREST

There were no declarations of interest received.

MINUTES

Resolved unanimously: that the Part I minutes of the meeting held on 23 August 2018 were approved as a true and correct record.

Q1 2018/19 PERFORMANCE REPORT

The Strategy and Performance Manager, Anna Robinson, introduced the Q1 2018/19 Performance Report.

The Panel were informed that in July 2017 the council adopted its new council plan with six strategic priorities detailed in paragraph 2.1 of the report. In November 2017 Cabinet approved a new Performance Management Framework to reflect the revised plan and agreed to monitor 25 key performance measures bi-annually.

Cabinet also agreed that O&S panels would review the measures that were relevant to that panel on a quarterly basis in addition to further performance metrics.

In 2017/18 the Corporate Services O&S Panel had 15 measures in the report under their remit. Seven met or exceeded the target, four were just short of target (within tolerance) and three were below target. Details of these were in Appendix B and Table 2 of the report.

Details about the targets for 2018/19 were also detailed in Appendix A which reflected some alterations based on benchmarking and intelligence as part of a robust performance management approach.

Of the 15 2018/19 measures due to be reported to the Panel. At the end of Q1, ten of them were on or above target, one was below target but within tolerance. Two were only reported biannually and two would not have data available until the results of the residents' survey was reported. Details of these were in Appendix A and Table 1 of the report.

Commentary for any measures that were or continued to be off target was provided in the appendixes, as well as detail on the target setting for 18/19 where changes had been made between this year and last year as part of a robust.

The performance of calls answered in 60s was the only measure currently off target. This was reporting at 73% against a target of 80% (unchanged from last year). Whilst this was still off target the Panel were informed that this was still a significantly increased from performance of 36% at the same time last year.

Cllr Brimacombe asked if the increased performance had been down to a decrease in call volume, the nature of calls received, system improvements or improved performance. The Panel were informed that there had been improvements to the system and performance with a change in shift patterns to help meet call volume. There had also been a small fall in the number of calls. There was also an improvement in the number of calls resolved at first point of contact due to increased expertise moved into the service.

Cllr Brimacombe also asked if there was also a higher percentage of agency staff in the call centre and was informed that it was the nature of call centre work that there was a higher percentage of agency staff.

Cllr Sharma asked about staff turnover and volatility. The Panel were informed that the turnover target had been increased from 12% to 14% after the benchmarking exercise. Turnover was currently at 15% but was expected to be on target by year end. At the start of the year the headcount was 630 and at Q1 it was 621. The authority would always have an issues with its location to London where authorities could afford to offer better pay to officers such as planners.

Cllr Quick referred to Table 2 where she said she was surprised to see residents indicating that they felt that they were not informed about the Council especially as we have the Around the Royal Borough and use of social media. The Panel was informed that last year's data for this was from a survey on the RBWM website as there was only 79 who took part it was not very representative. The LGA had also informed that there was a national drop in this indicator.

Cllr Clark asked how many measures were national indicators and how many were bespoke. The Panel were informed that national indicators remained mainly in children's and Adult Services whilst corporate had more bespoke indicators.

Cllr Clark also mentioned that there were different sets of data operational data for managers and data sets that the public would be interested in regarding deliverables.

Cllr Brimacombe said that seven years ago the performance report had not been fit for purpose and it has been a long journey getting to a concise report that was accessible to the public and members. He mentioned that local government had different reporting requirements to the private sector and that just because an indicator was 'Red' did not mean there was a failure but it could be that there were challenging targets.

Cllr Brimacombe also mentioned that if a target had been met it was not always prudent to continue putting in resources to exceed the target beyond its original intention. Putting in additional resources to exceed a target was over engineering and a waste of public resources unless there was a strategic objective to do so.

Resolved unanimously: the Corporate Services Overview and Scrutiny Panel notes the report and:

- **Endorses the performance summarised in table 1 and appendix A.**

- **Requests relevant Lead Members and Heads of Service focus effort to improve performance in the area just short of target and maintain performance in the measures meeting or exceeding target.**

RBWM PROPERTY COMPANY LTD - Q1 REPORT 2018-2019

The Panel considered the report that provided an operational update on RBWM Property Company Ltd. The report updated on the work of the property company covering:

- Delivery plans
- Governance
- Human resources
- Value for money/added value
- Health and safety
- Property Portfolio
- Development programme update.

It was highlighted that the company was currently projecting a pre-tax profit of £248,000 for 2018/19 and was a key vehicle in the councils' ambition to provide affordable housing that had been seen in previous Cabinet reports and the investment report on this agenda.

Cllr Brimacombe said that the occupational profile of tenants on page 29 was good news showing the range of key worker support.

The Chairman asked if the property company was sufficiently resource for the level of large developments in the pipeline. The Panel were informed that there was a scalable approach with a core set of staff recruited at a director level who are supported by consultants when required. A further project manager was to be recruited and the company could scale up or down when required.

The Chairman mentioned that there are people who criticise property companies so it was important to inform residents that the benefits from this company are for our residents and not for profit. The money the company makes goes back into providing services.

Cllr Sharma asked if the recruitment of the additional project manager was within budget or was further funding required. The Panel were informed that the costs were within budget and capitalised against projects. There were no costs for the Council.

Cllr Sharma also asked about the borrowing arrangements and was informed that the Council lent money to the company at a commercial rate. The Council borrowed at 2.25% and would currently lend to the company at 5%. It was the law that the Council had to lend at a commercial rate.

Cllr Quick said that it would be useful to see the graphs of the rental profile and occupation profile overlapped. She also asked how we communicated the availability of properties to key worker. The Pane were informed that this was done via Housing Solutions, the company's website and by directly contacting the different sectors.

The Chairman asked about the different rent levels and was informed that social rent was 60% of market rent whilst affordable rent was at 80% and local housing allowance rates were at 70%.

The Lead Member for Finance said that it was a pleasure to see the property company going from strength to strength and it was a great vehicle for the council in getting our assets developed for affordable housing. However he felt that the majority of Members did not appreciate what the property companies strategy was. There needed to be clarity in what the company was doing, what it would do in the future and how it would do it. There needed to be

a brief guide to the company to help Members understand the company and help them scrutinise it.

The Lead Member explained the functions of the company as being identifying the strategic intent of the Council, advising the Council if this intention was viable, affordable and achievable. Identifying opportunities to achieve the strategic intention and effective delivery of the strategy. It also had a role in reporting how we are doing.

Cllr Brimacombe felt that Council and our residents could do with a paper that explained the Council's strategic intention that has been passed to the company. There should also be an explanation of why the Council has chosen its direction.

Resolved unanimously: that the Corporate Services O&S Panel considered the Cabinet report and unanimously endorsed the recommendations. The Panel felt that there should be better communication to Members and our residents about the good news contained within the report. The Panel also felt that there needed to be better understanding amongst Councillors regarding the role of the RBWM Property Company and recommended that a training session be held to help Members understand the company's objectives.

RBWM PROPERTY COMPANY - INVESTMENTS REPORTS

The Panel considered the Cabinet report that proposed that three Council owned assets be made available for redevelopment via the RBWM Property Company. It was noted that similar reports had previously been considered by the Panel and that there had been a full discussion on these proposals at Council earlier in the week.

The Panel were informed that the strategy was to use council owned property assets that were no longer in use for affordable housing, creating revenue streams, whilst maintaining the council's asset base.

There were three site proposed for development:

- Mokattam, which was currently used as a care home but would be vacant by December.
- The old caretaker's home at Riverside Primary school.
- The third involved reinvesting part of the capital receipt from Ray Mill Road East, where the council would already be receiving 20 homes, to get additional affordable homes.

The investment reports for each of the proposed were appendices due to be considered in Part II.

The Lead Member for Finance informed that there was a critical balance to strike, for each and every case the council should be able to demonstrate it was pursuing residential development to optimise the provision of affordable housing. There was a lower rate of return for affordable housing which is why private developers were reluctant to invest in affordable housing. However the Council also needed to make the sites economically viable without being a pull on the tax payer and that the council also maintained assets.

Resolved Unanimously: that the Corporate Services O&S Panel considered the Cabinet report and unanimously endorsed the recommendations. The Panel felt that the wording in Table 1 could be misleading and that it should read that the 'approval of £7,059,088 for the development of the three sites'.

FINANCIAL UPDATE

The Panel considered the latest Cabinet Financial update report that confirmed the council's latest projected NET overspend on service budgets of £1,426,000. The Council had General Fund Reserves of £8,682,000.

The Panel were informed that there had been little movement since last month's report so the projected NET position remained the same. National pressures on local government funding continued and there were pressures with child placement costs, children in care and business rate recovery. It was felt that the NET pressure could be sustained with the help of things such as the Berkshire Business Rate Pooling.

The Lead Member explained that work was underway looking at pressures but it was not yet completed and thus there may be further NET exposure. Next month's report should show any NET movement but he did not expect the NET exposure to increase.

Cllr Brimacombe questioned the cash flow and it being based on assumptions in the budget. The Panel were informed that there would be movement from the approved budget due to decisions made throughout the year. The cash flow did not yet reflect next year's projects and this would be shown in the budget build over the next few months. The Lead Member said he was happy to meet with Members to explain how cash flow would change over the next 10-15 years.

Resolved Unanimously: that the Corporate Services O&S Panel considered the Cabinet report and unanimously endorsed the recommendations. The Panel noted that there would be better clarification on the net pressure at next month's Financial Update report.

GOVERNANCE AS PART OF RISK MANAGEMENT APPLIED TO LARGE PROJECTS

The Lead Member for Finance introduced the report that set out how adequate risk management was in place for RBWM as part of its major project governance arrangements. It included a briefing note summarising the proposed arrangements to ensure an effective model of project governance including risk management was in place.

The Panel were informed that there had been an ongoing issue with how Members could have an overview of larger projects and be satisfied that the project was proceeding along the lines of its objectives. This overview had been tricky with regards to larger projects that carried larger risks without the level of consistency that allowed Member overview. The paper would help Members in knowing what to ask, when to ask and what to expect.

Smaller projects, although handled correctly, had followed different project methodologies. This made it more difficult for scrutiny to assess. It was planned to have a common methodology which would help introduce clarity.

The Panel were informed that although the paper gave an overview of project governance arrangements the discussion would move to Part II when considering examples as there were implications and references to specific teams.

The Corporate Services O&S Panel noted the report.

WORK PROGRAMME

The Panel noted the work programme.

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

RESOLVED UNANIMOUSLY: That under Section 100(A)(4) of the Local

Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act.

The meeting, which began at 5.30 pm, finished at 7.25 pm

CHAIRMAN.....

DATE.....