

OVERVIEW AND SCRUTINY MANAGEMENT BOARD
Wednesday, 13th March, 2019

Present:- Councillor Steele (in the Chair); Councillors Cowles, Brookes, Cusworth, Keenan, Mallinder, Napper, Short, Walsh and Wyatt.

Apologies were received from Councillors Sansome.

The webcast of the Council Meeting can be viewed at:-

<https://rotherham.public-i.tv/core/portal/home>

176. MINUTES OF THE PREVIOUS MEETING HELD ON 13 FEBRUARY 2019

Resolved:-

That the minutes of the previous meeting held on 13 February 2019 be approved as a true and correct record of the proceedings.

177. DECLARATIONS OF INTEREST

There were no declarations of interest.

178. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

A member of the public asked the Chair about the effectiveness of Democratic Services on a scale of 1 to 10, with 10. In response, the Chair indicated his confidence in the service and the support provided to elected Members. As a supplementary question, the member of public asked the Chair how he rated the performance of officers and the complaints procedure after it had taken six and a half months for his complaint to reach stage 2 of the Corporate Complaints Procedure. In response, the Chair indicated that he could not comment on individual cases and reminded the member of the public that he had followed up concerns on his behalf previously, which the Chair understood to have been followed up with officers.

A member of the public asked the Chair why the webcasting equipment was not used during the Board's deliberations of petitions and requests to review petition responses where the subject matter was not considered to be sensitive. In response, the Chair indicated that he had taken the decision in respect of webcasting, as he did not consider it appropriate to discuss concerns regarding decisions taken by officers publicly. Any deliberation would be followed up with a public record of the outcome of the deliberation and the reasons for any recommendation. It was consistent practice that discussions concerning individuals would be undertaken privately and he would continue to uphold that practice.

A member of the public asked a question concerning the Council's responsibilities and those of other public bodies in respect of protecting individuals from slavery. In response, the Chair indicated that the Council had adopted a policy on Modern Slavery in 2018, however he would ask an officer to respond directly to the member of the public in respect of the specific concerns raised.

179. EXCLUSION OF THE PRESS AND PUBLIC

Resolved:-

That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for agenda item 7 (Site Cluster Programme Amendments) on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972

180. AREA HOUSING PANEL REVIEW

Consideration was given to a report submitted by the Strategic Director of Adult Care, Housing and Public Health which was due to be determined by the Cabinet at its meeting on 18 March 2019, which set out the basis for a review of the current Area Housing Panel arrangements, in the context of the new neighbourhood working approach.

The report proposed that the current geographical arrangements for Area Housing Panels should be reviewed and recommendations brought forward for Cabinet consideration later in the year. The report also referred to the current arrangements for the allocation and governance of the annual Area Housing Panel budget and the options considered for the structuring of the budget from 2019/20, including revised governance processes.

The Board were keen to further understand the administrative arrangements supporting the allocation of monies and the governance processes that would be followed. Assurances were sought for Members and Area Housing Panels to receive appropriate training and support. In response, the Cabinet Member for Housing indicated that the majority of training, support and awareness raising would be undertaken with elected Members. This would be addressed in the further report proposed to be considered by Cabinet, but it was acknowledged that there needed to be stronger governance processes around Area Housing Panels on a ward level.

Assurances were sought in respect of the procedures in place to ensure that the additional monies would be spent on council properties rather than other priorities in wards. In response, it was confirmed that guidance was in place to assist Members, officers and residents. It was confirmed that there should always be a substantial benefit for tenants associated with any proposal.

Clarification was sought in respect of whether officers or Members had decision making responsibility on the spend of funds. In response, the Cabinet Member for Housing confirmed that the priority would be remain legal at all times and the Housing Revenue Account would be audited annually. In the event of there being an issue or disagree, it would be referred to the Assistant Director of Housing Services and the Head of Service who would provide guidance for Members to consider. Following up, the Chair sought assurances as to who would provide final approval to spend funds. It was confirmed in response that funding would be allocated to each ward and it would be looked at with ward Members to fit in with Ward Plan priorities. The Cabinet Member confirmed that the governance arrangements needed further consideration. In the event of a dispute, there would need to be honest conversations to achieve a consensus so that monies could be allocated accordingly.

Members sought to understand what work would be undertaken with tenants before changes were implemented, as the proposals could be seen as a move to take power away from them. The Cabinet Member for Housing indicated that a significant amount of consultation had taken place with the Housing Involvement Panel and the Quality & Standards Steering Group. The feedback to date had indicated that tenants were supportive of the proposed move to a ward based model.

Members were broadly content with the proposals in the report, commenting that the recommendations were fair and the levelling out of funding per ward was the right course of action. However, concerns remained in respect of the lack of clarity as to who would ultimately be responsible for decision making and this would need to be confirmed before the proposals were implemented.

Resolved:-

1. That Cabinet be advised that the recommendations be supported.
2. That the second report in respect of arrangements for 2020/21 and beyond be brought for scrutiny prior to consideration by Cabinet
3. That the governance arrangements and clarity in respect of delegated decision making be addressed in the future report to be considered by Cabinet

181. SITE CLUSTER PROGRAMME AMENDMENTS

Consideration was given to a report submitted by the Strategic Director of Adult Care, Housing and Public Health which was due to be determined by the Cabinet on 18 March 2019 concerning proposed amendments to the Site Cluster programme which was increasing and accelerating the amount of new housing in Rotherham. Members noted that, at the point of reporting to Cabinet in 2017, the total scheme cost could only be

estimated. Given that the sites concerned were extremely challenging and extensive ground remediation work had been necessary to make them developable. Other unforeseeable costs had arisen from utilities diversions and an industry-wide increase in the cost of materials and labour. The report to Cabinet in July 2017 stated that in order to protect the Council from exposure to a situation where the amount exceeded the amount authorised, the development agreement provided the Council with the ability to reduce the number of units built on the final site. The report indicated to Cabinet that the authority needed to decide whether to reduce the programme to ensure the original budget was not exceeded, or to increase the budget to enable all 217 homes to be built, and Rotherham to receive the full range of benefits afforded by the partnership. The report recommended the latter approach.

It was reported that the Council and its Employer Agent, Rider Levett Bucknall, had challenged and scrutinised all costs presented by Wates and a range of efficiencies had been identified. The remaining risks had been analysed and a realistic maximum price had been calculated. If a decision was reached to increase the budget, there would be two further options to consider. One option was to continue with the current contractual arrangements. If any savings were identified, the final cost could potentially fall below the revised budget figure. However, the Council would bear the costs associated with any further risks that materialise for example as a result of the UK's exit from the European Union or adverse weather conditions. Alternatively, the Council could renegotiate the contract to a fixed, guaranteed maximum price contract, which would ensure no further risk of cost increases for the Council. This was the recommended approach.

Members were encouraged to see due diligence being undertaken in the management of the project, with measures devised to manage the risks associated. Whilst risk appetite was high at the outset of the project, it was evident that things had not progressed as had been intended and the approach now was to minimise the risk associated with the programme. Members sought assurances that the risk appetite had been lowered in the light of this experience and whether there was a commitment to pursue fixed price contracts in future. In response, the Cabinet Member for Housing indicated that a lot of lessons had been learned from this experience. The approach had been adopted as the Council was directly delivering homes and there was commitment the authority's leadership to make sure that they were built. It was accepted that there would be less risk with the proposed approach and more information would be provided in future before financial terms would be presented for approval. Assurances were provided that lessons had been learned and officers were clear on the need to provide as much information as possible and clearly assess risk.

A further question was put in respect of why the Council was not doing more to deliver housing directly. In response, the Cabinet Member for Housing indicated that there would be further reports coming for to Cabinet for determination that would propose to do exactly that. However, a point would be reached where there would no longer be sufficient monies available from the Housing Revenue Account and this would limit what more could be done in future.

Members sought assurances as to what work had been undertaken with Finance and Procurement to ensure that there would not be further spike in costs associated with the programme. Officers reiterated that lessons had been learned and there was a needed for a sizable contingency in the programme. Some increases referred to in the report had taken account of inflation and the costs of labour, but other costs could not be identified until the ground had been dug to establish conditions. With regard to assurances, officers were scrutinising every line of the project with Wates and believed the majority of risks to be known and anticipated no further increases.

Clarification was sought in respect of what lessons had been learned from experience. The Cabinet Member for Housing confirmed that multiple lessons had been learned, including the need to establish as much information as possible before agreeing the financial envelope and the need to hold developers to account much more. It was also noted that the tender process needed to be much clearer, but officers had taken a lot of learning from the project and a number of measures had been put into place as a result.

Members asked a number of questions concerning the financial information set out in the exempt appendix to the report. Assurances were provided by officers in respect of the robustness and reliability of the information provided.

The Board were satisfied with the proposed approach detailed within the report, but were also keen to ensure that the learning from the project, specifically in respect of tendering and contract arrangements, were shared broadly across the Council to ensure that this was built into future major contracts and procurement processes.

Resolved:-

1. That Cabinet be advised that the recommendations be supported.
2. That the Section 151 Officer be requested to share the learning from this project in respect of the tender and contract agreement process, to ensure that larger scale projects undertaken across the authority are well managed and controlled.

182.

EUROPEAN UNION EXIT RISK ASSESSMENT AND CONTINGENCY PLANNING

Consideration was given a report which provided:-

- a briefing about progress towards the anticipated departure of the United Kingdom (UK) from the European Union (EU) including potential scenarios
- an assessment of issues and potential risks to the people and economy of Rotherham associated with the UK exit from the EU.
- an overview of the contingency planning undertaken by the Council and its partners in response to potential risks associated with EU exit.

The report reflected that there had been much uncertainty about how the UK would leave the EU and the clarity anticipated by autumn 2018 had yet to be realised. EU exit presented a significant change which would have economic and social consequences across the UK, including Rotherham. The Council had sought to identify and address the local risks through contingency planning based on potential scenarios, notably a 'no deal' EU exit where the impact and risks would be greatest. It was noted that EU citizens would need to apply for settled status and the Council and partners would support this process with the Home Office.

Clarification was sought from Members in respect of how EU citizens would be informed of the need to apply online for settled status and how the Council would be assisting them. In response, officers confirmed that there was a central government information campaign which was targeted across the country, which was anticipated to inform the majority of EU citizens. Within Rotherham, a communications strategy was being developed by the Council which would complement the central government campaign.

Members sought assurances from an emergency planning perspective and the extent to which the community had been included in the planning. In response, officers confirmed that emergency planning was critical for statutory and public bodies and a tactical process had taken place to check and challenge business continuity plans. Officers were assured that the Council was doing as much as possible. Furthermore, the Assistant Chief Executive explained that had been very difficult to communicate to the community around the EU Exit process, however there were a number of voluntary sector organisations that had been working closely with EU citizens around the challenges on how they feel. Whilst this had not been comprehensive, it needed to be noted such engagement had taken place. It was clarified that there was a separation between major incident plans and business continuity, therefore town and parish councils were not part of the business continuity process.

Clarification was sought as to the number of EU citizens in the borough and whether they had self-declared. In response, officers confirmed that the numbers quoted were an estimate, as any EU citizen could come to Rotherham. However, the sources used for the calculation were the 2018 Schools Census, Allowances for Pre-School, and the 2017-18 Annual Population Survey. In response to a question concerning the number of ex-patriots who might return to Rotherham following the EU Exit, it was explained that there was no data available to suggest what those numbers would be. There was no intelligence available to suggest that there would be an influx of people returning from the EU.

Members acknowledged that there was no precedent for the process of exiting the EU and consequently the robustness of business continuity plans would be critical. It was noted that the risks associated with business continuity and Brexit had been raised by the Audit Committee during the last twelve months and Members' view had been that there needed to be a joint agency approach to respond to the challenges presented. Concerns were also raised in respect of the Sheffield City Region and the impact of the loss of structural funding currently provided by the EU.

Assurances were sought on the impact of EU Exit on Council services and staffing arrangements. In response, officers explained that there would be changes in legislation which would impact on policy, which were principally thought to relate to environmental issues, however, the full extent would not be known until the arrangements for exiting the EU were confirmed. With regard to staffing, the authority would continue to have its role in emergency planning and civil contingencies, but this would be more of a leadership and coordinating role.

Reflecting on community tensions, Members indicated their concern around the potential for increases in hate crime and sought assurances in respect of what the Council and its partners were doing to mitigate that. In response, officers explained that there had been a lot of work put into monitoring community tensions, which had been led by South Yorkshire Police, but had been undertaken on a partnership approach. Members were advised that if they were aware of tensions, this could be fed into partners for monitoring and action as required. It was acknowledged that there needed to be broader engagement with Members and a need to share more information.

Following on, Members raised concerns about anger that they were encountering in the community generally and sought assurances around what the Council would do to ensure that Members were safe. In response, officers explained that a review of personal safety would be offered by Democratic Services through a completion of a risk assessment of ward surgeries and other community meetings that Members attend. It was noted that a training session on Personal Safety was due to take place later in March 2019 and all Members were encouraged to attend. Reference was also made to the need to review the provision of

information which be considered as 'sensitive interests' on Members' Register of Interests forms and the action to remove such information to protect Members' personal safety.

Reference was made to the diversity of the workforce supporting adult social care across the borough and clarification was sought as to the work being undertaken to ensure that people's lives would not be adversely affected if care homes struggled to retain and recruit. In response, officers confirmed that work had taken place with the health and social care sectors and contract managers were being supported. It was understood that there was not a significant proportion of the care workforce that would be affected by the EU Exit and consequently there was not expected to be a significant impact in the borough.

Assurances were sought from Members in respect of the capacity of the authority to deliver a referendum or other unplanned, borough-wide electoral event. In response, officers confirmed that Electoral Services were prepared to deliver any electoral event as required.

Resolved:-

1. That the content of the report and potential risks associated with EU exit be noted.
2. That the work undertaken by the Council and partners on contingency planning in response to risks associated with EU exit be noted.
3. That risk assessments in respect of personal safety be provided for Members' Ward Surgeries.

183. URGENT BUSINESS

The Chair reported that there were no items of business requiring the urgent consideration of the Board.

184. DATE AND TIME OF NEXT MEETING

Resolved:-

That the next meeting of the Overview and Scrutiny Management Board be held on Wednesday 27 March 2019 commencing at 11.00 a.m. in Rotherham Town Hall.