

Shadow Dorset Council

SHADOW OVERVIEW AND SCRUTINY COMMITTEE

MINUTES OF MEETING HELD ON WEDNESDAY 7 NOVEMBER 2018

Present: Cllrs T Jones (Chairman), C Brooks (Vice-Chair), S Bartlett, K Brookes, C Finch, S Gibson, N Lacey-Clarke, R Nowak, J Sewell, J Somper, J Tanner and M Wiggins

Apologies: Cllrs R Bryan, M Byatt and B Goringe

Also present: Cllr A Alford, Cllr J Andrews, Cllr S Flower, Cllr M Penfold, Cllr V Potheary, Cllr M Rennie, Cllr P Shorland, Cllr T Yarker and Sally White (SWAP)

Officers present (for all or part of the meeting):

Matt Prosser (Chief Executive Designate), Jason Vaughan (Interim Section 151 Officer), Jonathan Mair (Interim Monitoring Officer), Keith Cheesman (LGR Programme Director), David Fairbairn (Solicitor), Rebecca Kirk (General Manager, Public Health and Housing - Purbeck District Council), Lee Ellis (Scrutiny Officer), Mark Taylor (Group Manager - Governance and Assurance) and Lindsey Watson (Senior Democratic Services Officer)

46. Declarations of Interest

There were no declarations of interest.

47. Minutes

The minutes of the meeting held on 8 October 2018 were agreed as a correct record and signed by the Chairman.

The Chairman reported that recommendations made by the committee to the Shadow Executive Committee at previous meetings, had been agreed.

48. Public participation

There were no representations from members of the public.

49. Design Principles for the new Dorset Council

In response to a request at a previous meeting, the Chief Executive (Designate) attended the meeting to provide an overview of the design principles for the new Dorset Council. A copy of the report considered by the Shadow Executive Committee on 21 August 2018 with regard to 'Building a Council for the 21st Century – Design Principles for the new Dorset Council Operating Model', was included within the agenda to support discussion on the item.

The Chief Executive (Designate) noted that work being undertaken was to create a Safe and Legal Council from day 1. Transformation work was underway to design an operating model to set out how the new Council would operate. The nine agreed design principles were being used in order to ensure the creation of a sustainable organisation.

The Chief Executive set out three key areas of focus for the new organisation:

- Being a customer focussed organisation with the ability to plan big but act local
- Being an effective and modern organisation – business like with a social purpose
- Being an employer of choice – empowering staff and being a learning organisation

A question was raised as to how the design principles and key areas of focus would be monitored in terms of whether they were being achieved? In response, the Chief Executive (Designate) noted that the design principles would provide a guide for creating the new structure. The challenge would come when looking back to see whether things were being done differently. Performance Indicators would be developed as a separate piece of work. A transformation roadmap would be created for approval by the Shadow Executive Committee and this could also be brought to this committee around February/March 2019.

Members considered the issues arising and during discussion the following points were raised:

- A comment was made that there was a need to see detail of the work that was being undertaken underneath each of the design principles
- In response to a question, the Chief Executive (Designate) highlighted that transformation would be ongoing up to and beyond 1 April 2019
- The transformation roadmap would include key milestones to be agreed by the new Council. These could be considered by the committee when the report was presented
- A question was raised with regard to the staffing hierarchy for the new Council and whether there would need to be consideration of the services required when considering the staffing required. In response, the Chief Executive (Designate) noted that it was the intention to simplify the staff structure of the Council in order to remove the distance between the layers

50. **Overview of work being progressed by the Governance Working Group**

At the request of the committee, members received a report which provided an outline of the work of the Governance Working Group, including its progress to date, next steps and the timetable for the production of the new

Constitution. The report also provided some information on the working group's initial thinking on overview and scrutiny arrangements.

As Chair of the working group, Councillor Spencer Flower provided an overview of the work of the group which had met on 3 occasions, with one further meeting planned before concluding their work. He noted that the report on the new Constitution would be brought to this committee at the meeting on 3 December, and in addition, a member briefing would be held to provide all members with the opportunity for a detailed look at the work done and for any fine tuning required.

David Fairbairn (Solicitor, Purbeck District Council) had been involved with the work of the group. He noted that there was a wish to involve all members in the development of the Constitution which was why it had been agreed to hold a member briefing and to include information in members' newsletters.

Members considered the issues arising from the report and during discussion the following points were raised:

- A point was raised that there was some unease that the Shadow Executive Committee was receiving reports before the Overview and Scrutiny Committee had been able to review them. In response it was noted that the Constitution would not be finalised until it had been adopted by Full Council in January 2019
- A discussion was held in respect of the reference to the member briefing to be held and whether calling it a member briefing would reflect the importance and key role of the session? The Chairman asked if the session could be retitled in order to ensure attendance by members
- It was noted that the Governance Working Group had agreed with the principle of there being Area Forums in order to ensure that local connection with communities was not lost with the new Dorset Council. Further work was required but this would be part of the model moving forward. In addition, the working group, through discussion with officers, had identified a suitable option for development management purposes
- The working group had considered options within the 'Governance-light' model that it would like to see for Dorset Council. There was an opportunity to review structures and ways of working. This would include a review of the Policy Framework with 10 headline policies (there were around 30 included in the policy frameworks of the current six councils) and a review of the Constitution both now and as the new Council bedded in
- There was no wish to marginalise members, although a point was raised that some members did not feel as engaged as they had been previously
- A point was noted that the proposals outlined in the report could be supported as long as they were 'governance-light' and not 'democracy-light'. It was acknowledged that there was a need for good local decision making and it was hoped that this was a central feature of what was brought back to the committee in December

- In respect of the indicative proposals for Overview and Scrutiny, it was noted that the working group had considered whether there should be an overarching overview and scrutiny committee but that this had been rejected as being too bureaucratic and not in keeping with the 'governance-light' model
- In response to a question with regard to the geographical nature of the proposed area forums, it was noted that work in this area was still to be completed
- In respect to proposed changes to boundaries by the Boundary Commission it was noted that some changes had been made following consultation with local residents but that most of the proposals considered by the working group would remain the same
- Reference was made to a report on the Shadow Executive Committee Forward Plan for the meeting on 10 December 2018, with regard to 'Local Area Arrangements'
- Further consideration of the detail of area forums could be considered by the committee at their next meeting where the draft Constitution would be considered

The committee noted the progress made to date by the Governance Working Group.

51. Shadow Dorset Council Call-in arrangements

The Chairman introduced the item which had been prompted by a recent Call-in request in respect of a decision of the Shadow Executive Committee on 17 September 2018 on the transfer of services and assets. The Call-in had been instigated but subsequently rejected by the Monitoring Officer. The Chairman felt that this should have been dealt with as a Call to Account.

The Interim Monitoring Officer provided information in order to clarify the situation. He noted that Call-in should only be used in exceptional circumstances and explained the situation with regard to Call-in in the Shadow Dorset Council and in the new Dorset Council. For the new Dorset Council it was proposed that a Call-in could be instigated where the executive failed to follow the policy framework or the Budget set by Full Council or where the executive did not follow principles for good decision making. The current situation in the Shadow Dorset Council was very different given the constrained time period within which it operated and the requirement to be safe and legal on day 1. The Shadow Constitution, which had largely been drawn from one used by another council, provided only narrow opportunities for a decision to be called in – in essence the only factor that could be considered was whether the decision was in accordance with law. The recent Call-in had been procedurally correct but had been rejected as it was not an unlawful decision.

It was agreed that as this had been dealt with, discussion would move to the next item on the agenda.

52. **Proposed Call to Account**

The Chairman introduced an item to ask the committee to consider a proposed Call to Account with regard to the decision of the Shadow Executive Committee on 17 September 2018 on the transfer of services and assets in West Dorset. If agreed, the Call to Account would be considered at a future meeting of the committee and the relevant people would be required to come to the meeting to provide information in respect of the decision taken.

Reference was made to the principles for the transfer of assets to town and parish councils, which had been agreed by the Shadow Executive Committee on 20 July 2018 and the amount of work that had been undertaken in West Dorset. The recommendations put forward by West Dorset District Council had been considered by the Shadow Executive Committee, but had not received support from the committee. A point was raised that when the Shadow Dorset Council came in to being there was a wish to empower people by enabling local communities to be in charge of their own assets. A report had subsequently been considered by West Dorset Full Council which sought to leave the door open for future discussions, within the principles agreed by the Shadow Council and which had received cross party support.

The Chairman noted that the purpose of the discussion at this meeting was to determine whether there was committee support to proceed with a Call to Account.

Members discussed the issues arising and during discussion the following points were raised:

- A lot of time and effort had been put into negotiations with town and parish councils in West Dorset and it was felt that the Council had been caught out by the principle that a proposal must not exceed £100k value
- A point was made that market towns should be treated differently, similar to the exception provided to Weymouth Town Council and Portland Town Council. The point was made that many councils had low tax bases
- It was felt that there was not a uniform process in place across the county
- In response to a point raised it was noted that there could be a need for clarification with regard to the £100k cap that had been put in place and whether this was per town or parish council or per individual asset, or whether it was in place for all transactions proposed by a district council
- A question was raised as to what action could be taken as a result of undertaking a Call to Account? It was noted that the committee could make recommendations to the Shadow Executive Committee
- The Interim Monitoring Officer noted that the Shadow Executive Committee had agreed a set of principles for this area. It was the view of the Shadow Executive Committee that the proposals put forward by West Dorset, did not fit with the agreed principles

- Clarification was sought as to whether the Call to Account related to the specific decision with regard to the transfer of assets and services in West Dorset or whether it was with regard to the wider issues with the consistent application and implementation of the principles?
- A point was raised that the decision made by the Shadow Executive Committee in September 2018 could mean that there were no transfers of assets or services and this could have implications for the councils relationship with town and parish councils
- It was noted that some transfers had been agreed, for example in Purbeck
- Reference was made to the recognition by the Shadow Executive Committee of the unique circumstances of Weymouth Town Council and Portland Town Council and that these were to be considered separately. It was noted that this was an amendment to the principles which had been agreed by the Shadow Executive Committee in order to recognise the unique circumstances in forming a new town council for Weymouth. A point was noted that Portland Town Council although already formed, had also been included
- The committee was reminded that they were here as Shadow councillors and the suggestion made that the issue was not so much to do with the specific West Dorset decision but instead with regard to exploring the suggested inconsistencies in how the agreed principles had previously been applied and would be applied in the future. The Call to Account, if agreed, could therefore seek to gain an understanding of the situation in terms of how the principles were applied and the perceived inconsistencies. It was suggested that the position in West Dorset was the case that had triggered the request to undertake a Call to Account
- Reference was made to work undertaken by the county council to devolve services
- A point was raised that it was felt that there were inconsistencies in how the principles were being applied with Weymouth and Portland being treated differently. The point was made that there were a significant number of market towns with low council tax bases which would have an impact. It was felt that the policy was not working to a fair degree and therefore should be subject to a Call to Account
- Clarification was provided in respect of the asset transfer agreed in Purbeck which was six car parking spaces for residential use with only a small amount of income attached

Following the discussion, it was proposed by T Jones seconded by J Sewell that a Call to Account with regard to the transfer of assets to town and parish councils be supported and considered at the next meeting of the committee in December. Members discussed the people who would be called to account and it was felt that this should include the Leader, relevant Portfolio Holders, the Interim Monitoring Officer and Interim S151 Officer.

Decision

That a Call to Account with regard to the transfer of assets to town and parish councils be supported and considered at the next meeting of the committee in December. The Leader, relevant Portfolio Holders and Interim Monitoring Officer and S151 Officer to be asked to attend the meeting.

53. Overview and Update on Finance

The Interim S151 Officer provided a presentation which gave an overview of the financial issues for moving to a new Council. The presentation covered:

- Context – the financial issues associated with moving from six to one Council. There were currently six budgets, six teams in different locations and using different systems. Work around disaggregation was referred to and other moving parts such as demand led services, capital, staffing, TUPE, council tax and stranded costs. Members of the Shadow Dorset Council would vote on the Budget for 2019/20 in February next year
- Financial Strategy – there was a focus on protecting front line services and delivering resources for transformation
- Medium Term Financial Forecast – in respect of a question with regard to retained business rates, the Interim S151 Officer noted that there was not currently clarity about how the new scheme would work
- 2019/20 Budget
- Capital and bringing six programmes together – the S151 Officer briefly referred to a current disagreement on the apportionment of disaggregated debt between the two councils, which could result in a £600k to £900k impact
- The situation with Reserves
- Balancing the Budget
- Transformation savings – this was about doing things differently
- Other factors being looked at for example spending protocol, financial systems harmonisation, internal and external auditor appointments and banking tender process

A number of questions were raised and responses provided including:

- The amount of audit work taking place would be reduced as there would only be a need to sign off books for one council and not six as currently. There would be no change to the frequency of audits
- There may be opportunities to use capital receipts from selling of assets. Savings would be phased
- There would be an opportunity for this committee to scrutinise the Budget during mid-January 2019. The timescale for this did not fit in with the current date for the committee in January and therefore this may need to be reviewed
- Council Tax harmonisation would be from day 1

- In response to a question with regard to the position with pension funds, the S151 Officer noted that this had been reviewed by an Actuary and although there were slightly different funding positions they were not too far apart.

54. Future operations of Leisure Facilities in Dorset

The Portfolio Holder for Leisure Services introduced and provided an overview of a report on the future operation of sports and leisure centre facilities in Dorset, which would be considered by the Shadow Executive Committee on 12 November 2018. The report detailed the current management arrangements for the various Council owned sports and leisure centres in Dorset, highlighted the contractual issues faced by two of the centres and the associated risks that might impact on the ability to continue with service delivery as a result of Local Government Reorganisation. The report also outlined a suggested future programme of work and highlighted the opportunity for efficiencies and savings in the future.

There was a general level of support for the approach being proposed in the report which provided a commitment to gathering information, developing a business case and considering options with outcomes to be presented to Dorset Council for decision. There was support for the way that the issues were presented and how they were to be considered.

It was noted that the report and recommendations would be considered by the Shadow Executive Committee on 12 November. Support was expressed for the report and recommendations to be presented to the Shadow Executive Committee.

55. Programme Highlight Report including Gateway 1 report

The committee considered the latest Programme Highlight Report which was to be considered by the Shadow Executive Committee on 12 November 2018. The report provided an update on progress since the October meeting of the Shadow Executive Committee, including the findings of the Gateway Review and an update on the Programme Budget. It was noted that there would be an update to the December meeting of the Shadow Executive Committee with regard to programme resources.

In response to a question, Sally White representing the South West Audit Partnership (SWAP) noted that this was not a traditional audit piece and that work had been undertaken with the Programme Team. The SWAP report had been published with the agenda for this meeting and had been summarised within the Programme Highlight Report. There had been some limitations to the SWAP report and it had not been formally signed off to date. It was anticipated that the report would be signed off shortly once some of the programme plans had been signed off.

The report was noted by members. The Chairman asked that the committee be informed if there were any concerns from SWAP before the next meeting of the committee. In response, Sally White noted that SWAP was engaged

with the Programme Team on a regular basis and that the situation would be regularly reviewed.

56. Shadow Overview and Scrutiny Committee Work Programme

The Scrutiny Officer provided an overview of the items expected at the next meeting of the committee as follows:

- TUPE – progress to date
- Readiness of critical/key services
- Dorset Council Constitution
- Call to Account in respect of the transfer of services and assets
- Programme Highlight Report including SWAP Assurance Report

The scrutiny of the Budget would take place during January 2019 and it was noted that the scheduled date for this meeting (currently 8 January) may need to be reviewed in order to fit in with the overall Budget timetable.

The work programme would be developed each month and considered at each meeting of the committee.

There were requests for further information in respect of the position with both Revenues and Benefits and the Dorset Waste Partnership. The Scrutiny Officer confirmed that she would request further information to provide to members of the committee. Members could then decide whether any further action was required in respect of these areas.

57. Urgent items

There were no urgent items.

Duration of meeting: 6.30 - 8.27 pm

Chairman

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