

OVERVIEW AND SCRUTINY COMMITTEE

19 December 2023

* Councillor James Walsh (Chair)
Councillor Matt Furniss (Vice-Chair)

* Councillor Honor Brooker	* Councillor Maddy Redpath
Councillor Jason Fenwick	* Councillor Katie Steel
* Councillor Lizzie Griffiths	* Councillor Fiona White
* Councillor Gillian Harwood	* Councillor Dominique Williams
Councillor Steven Lee	* Councillor Sue Wyeth-Price

*Present

Councillors Amanda Creese, Geoff Davis, Catherine Houston (Lead Councillor for Commercial Services), Richard Lucas (Lead Councillor for Finance and Property), Julia McShane (Leader of the Council & Lead Councillor for Housing), Richard Mills OBE, Carla Morson (Lead Councillor for Community and Organisational Development), and Howard Smith were also in attendance.

OS16 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

The Committee was advised that apologies for absence had been received from Councillors Jason Fenwick and Steven Lee.

OS17 LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of Disclosable Pecuniary Interests.

OS18 MINUTES

The minutes of the Overview and Scrutiny Committee meeting held on 12 September 2023 were agreed.

OS19 LEAD COUNCILLOR QUESTION SESSION

The Chairman welcomed the Lead Councillor for Finance and Property, Councillor Richard Lucas and invited him to make an introductory statement.

The Lead Councillor for Finance and Property referred to the challenges experienced during the municipal year since May, including turnover in

personnel, organisational change, and financial issues, and concluded by praising the work of the Council's finance officers.

In response to a question from a Committee member about organisational challenges revealed within the Council's finance function, the Lead Councillor for Finance and Property outlined the Council's financial problems and concerns with the capability of the Council to address such issues. He indicated to the Committee that the Council had been short of both skills and capacity to deal with its financial issues, the Council's organisational structure was unsatisfactory, and there had been an apparent lack of sound financial reporting to inform timely decision-making within Council services. In addition, the Lead Councillor for Finance and Property advised the Committee that failings within the financial reporting at the Council in the past had made control of expenditure more difficult. He indicated the need to balance the Council's budget and reduce the Medium Term Financial Plan and suggested the importance of establishing improved processes and systems that would enable improvements in financial accountability and delegated decision-making by officers at the Council.

A member of the Committee expressed concerns about costings relating to the Housing Revenue Account (HRA) and queried the impact of the large overspend and asked whether a budget had been set aside for possible legal challenges that might result. In addition, the cost of related investigations and the apparent lack of financial oversight were questioned. In reply, the Lead Councillor for Finance and Property advised of improvements in the reporting of contract-spending at the Council. The Joint Executive Head of Finance advised that £300k had been set aside for governance reviews, most of the overspend had occurred through the HRA's capital programme, and specialist lawyers had been instructed to ensure the Council avoided giving grounds for any legal challenges.

In response to a query from another member of the Committee, the Joint Executive Head of Finance advised that most of the £300k set aside for governance reviews had been allocated from the General Fund and a small element might come from the HRA.

In reply to a question, the Joint Executive Head of Finance confirmed that service accountants now met monthly with budget holders within services to monitor spending, with reports sent monthly to heads of service and directors.

In response to questions, the Lead Councillor for Finance and Property noted the importance of financial reporting within local government and the value to the Council of interim financial personnel to help establish lasting practices and behaviours.

In reply to a query about past financial management at the Council, the Lead Councillor for Finance and Property referred to the impact from the Council's Future Guildford transformation programme and the introduction of a new computer system to manage the Council's budget, together with the emergency accounting requirements necessitated by the Covid pandemic.

The Lead Councillor for Finance and Property and the Joint Executive Head of Finance outlined the effect on the Council of the backlog in local authority audits and the actions the Council was taking in preparation for the next audit of annual accounts.

The Chairman thanked the Lead Councillor for Finance and Property for his attendance.

OS20 INTERIM PROCUREMENT REPORT FOR THE PERIOD 1 APRIL 2022 - 30 SEPTEMBER 2023: UPDATES ON PROCUREMENT SERVICE STRATEGY - 2020-23 INCLUDING PROCUREMENT INTERNAL AUDIT RECOMMENDATIONS - 2023-24 AND PROCUREMENT SAVINGS STRATEGY - APRIL 2020.

The Interim Senior Specialist Procurement introduced and summarised the report submitted to the Committee. He indicated that the Procurement Service Strategy had been adopted in 2020 and was due for a revisit in 2023. The meeting was advised that the Strategy would be affected by the Council's collaboration with Waverley Borough Council, the adoption of the Procurement Act in 2024, and encouraging engagement with the local supply market. The Interim Senior Specialist Procurement summarised the progress of the Procurement Savings Strategy, including the savings achieved and the approach to future savings.

During the ensuing discussion a number of points were raised and responses offered:

- In reply to a question from a Committee member about ensuring the maintenance of standards for service users, the Interim Senior Specialist Procurement referred to checks undertaken as part of the annual audit

of procurement and the role of the Corporate Procurement Board on higher value contracts. In response to the member of the Committee suggesting the value of customer feedback and complaints directly informing the procurement process, the Lead Councillor for Finance and Property indicated that such information could be used to inform the delivery of services rather than the initial procurement process.

- In response to a question on the development of spend control processes, the Committee was advised by the Interim Senior Specialist Procurement of mechanisms being introduced to improve the linking and tracking of spend on individual contracts.
- With reference to the high value risks identified within the audit of the Council's Procurement (attached as appendix 1 to the report submitted to the Committee), a member of the Committee questioned the controls and actions taken to manage or mitigate any such issues. In response, the Interim Senior Specialist Procurement advised that progress against such targets was reported to the Corporate Procurement Board. The Joint Executive Head of Finance indicated that such concerns would be added to the Council's financial risk register if appropriate. In addition, he advised the meeting of his duty to prepare a Section 25 report when the Council agrees its annual budget.
- In reply to a query, the Interim Senior Specialist Procurement advised that the Council's Procurement Procedure Rules provided a framework to capture procurement improvements and that the Rules were currently being reviewed due to the changes from the Procurement Act 2023 and the desire to harmonise with Waverley Borough Council. The Joint Executive Head of Finance indicated that the Financial Procedure Rules and the Procurement Procedure Rules within the Council's Constitution did reference and link to other internal documents that detailed relevant processes.
- A Councillor questioned why savings achieved through procurement were attributed to the procurement service rather than the individual Council service undertaking each procurement. In response, the Joint Executive Head of Finance advised that he viewed procurement as an

enabling service and the existence of a savings target for the Council's procurement service was historical.

The Chairman asked when the full Procurement Report for 2023-24 would be completed and was advised late June 2024.

RESOLVED: (I) That the annual procurement report update for the financial year ending 31 March 2023, as presented in the report submitted to the Committee, be noted.

(II) That a full annual procurement report for the 2023-24 financial year be provided to a future meeting of the Committee.

OS21 ANNUAL REPORT: MODERN SLAVERY MOTION FY22/23

With reference to the report submitted to the Committee, the Interim Senior Specialist Procurement introduced the item. He noted that the report provided an update on the implementation of the Modern Slavery Motion adopted by the Council in 2020 and advised that further recommendations relating to modern slavery were monitored and incorporated into the Council's procurement processes. The Committee was reminded that the publication of the modern slavery report was an annual requirement.

There were no questions on the item.

RESOLVED: (I) That the annual update report on the Modern Slavery Motion for the financial year ending 31 March 2023, as submitted to the Committee, be noted.

(II) That the Executive be requested to progress actions within sections 7.5-7.8 of the Annual Report on the Modern Slavery Motion:

7.5 Consideration should also be made of some emerging policy from the Home Office published in September 2020 which requires certain organisations with a turnover exceeding £36 million to produce a Modern Slavery Statement for each Financial Year. The Government have outlined the intention to roll this out within Local Government and also for organisations of the same financial standing.

7.6 The Council should consider further training to teams responsible for contract management to assist identification of Modern Slavery when services are being delivered for the Council.

- 7.7 The Government have now released a Modern Slavery statement registry over 6,000 statements have been submitted covering over 20,000 organisations on a voluntary basis. The Council should publish the 2023 statement on the registry.
- 7.8 The Council should review the Home Office developments listed below:
- a) A modern slavery risk prioritisation tool which aims to help departments risk assess their contracts in accordance with the Cabinet Office Procurement Policy Note – Tackling Modern Slavery in Government Supply Chains Action Note PPN 05/19 September 2019 guidance more easily.
 - b) An induction pack for anti-slavery advocates to ensure senior commercial directors are better equipped to oversee how their department is tackling modern slavery.
 - c) Guidance on modern slavery statements to ensure departments have a clear understanding of key information they must include in their first statements.
 - d) Guidance on developing modern slavery KPIs to help departments measure the effectiveness of the measures they are taking to combat modern slavery.

OS22 COMMUNITY SERVICES - THE HIVE

The Joint Executive Head of Community Services gave a presentation on Community Services and The Hive (the slides for which had been published with the agenda papers). The Committee was informed of the different teams within Community Services: Family Support; Care and Repair and Disabled Facilities Grants; Careline; Refugee Support and resettlement; Community Wellbeing and vulnerable people support; Older People's Hub; and Community Transport and Community Meals. She advised the meeting that Community Services operated within a wider Social Value Ecosystem with partners that shared the same goals.

The Joint Executive Head of Community Services indicated that The Hive used to be The Park Barn Social Centre. She informed the meeting of the previous uses of The Hive site by the Council and its current use for Community Wellbeing, Community Transport, and the Older People's Hub. The Joint Executive Head of Community Services indicated that The Hive remained a service depot for Community Transport and Meals.

The presentation outlined the community transport journeys to and from The Hive, the numbers of community meals delivered from the site in 2022/23, and the wider wellbeing support associated with The Hive. The Joint Executive Head of Community Services told the Committee about a Christmas present project for less advantaged families that was supported by Guildford High School.

The Committee were informed of the costs involved with The Hive, the grant contributions from Surrey County Council, the charges for services, and the rates for hire of the hall at The Hive. The Joint Executive Head of Community Services stated that community transport charged service users of The Hive a £3 flat rate for a one-way journey. She told the meeting of £178k in savings achieved in 2023 and indicated that a further £250k of savings had been identified for 2024.

The Joint Executive Head of Community Services highlighted that The Hive:

- Is for the whole Borough
- Is part of the Community Services Offer
- Is the base for Community Transport and Meals
- Is the Care Activities Hub for the Borough
- Has wellbeing services open to all residents
- Is crucial to fulfilling the Council's commitment to those less advantaged
- Delivers outreach activities to other areas

The Joint Executive Head of Community Services suggested that a further report to the Committee could be informed by a number of key considerations:

- There is no need to replicate the Council's Community Service operational base at The Hive
- Certain communities might wish to have a community hub in their area
- The Hive is where it is and what it is because it is a Council asset
- Does the Council want to consider using other Borough community assets for community wellbeing space?
- If so – there would need to be a community organisation or group that can lead and shape this with the support of the community services team

- Any approach would need to integrate with the Council's asset management plan and budget pressures
- If viable, could this space be a hub for voluntary sector partners to use as an outreach space, instead of other borough assets?

The Committee was reminded that all Councillors had been invited to visit The Hive on 24 January to further review the services offered.

The Chairman confirmed a desire to see some community services replicated outside of Westborough.

The following information and responses were provided during the ensuing discussion:

- In reply to a question, the Joint Executive Head of Community Services explained that Waverley Borough Council operated a strategic commissioning model of community services without direct operational delivery.
- In response to questions from Councillors, the Joint Executive Head of Community Services suggested that communication with partners was weakest where resources were least (in adult social care and the NHS) or where there were different timeframes and expectations.
- A Councillor raised the issue of a lack of community space in the Bellfields area.
- In response to questions and comments, the Joint Executive Head of Community Services confirmed that the savings made within community services were returned to the Council, and then further explained Thrive at the Hive and the monthly Thrive on the Road.

The Chairman thanked the Joint Executive Head of Community Services for her presentation and the offer to all Councillors of a visit to The Hive on 24 January 2024. He suggested Overview and Scrutiny councillors put forward ideas for the content of a further report on community services in time for the Committee's 5 March 2024 meeting.

RESOLVED: That a report on Community Services, with a scope to be agreed between the Committee Chair and the Joint Executive Head of Community Services, be provided to the Committee's March 2024 meeting.

OS23 OVERVIEW AND SCRUTINY WORK PROGRAMME

The Senior Democratic Services Officer (Scrutiny) advised the meeting of changes to the Overview and Scrutiny Committee work programme since the publication of the agenda. He advised that the meeting on 16 January 2024 would have five items; namely, Guildford-Waverley Collaboration, Performance Monitoring Report 2023-24 (Quarter 2), Operation of the Leisure Management Contract 2022-23, annual report and monitoring arrangements for operation of the G Live contract 2022-23, and a performance and progress update on the Council's Customer Services. He indicated that three items were scheduled for the 30 January Committee meeting: Thames Water; the question session with the Lead Councillor for Planning, Environment, and Climate Change; and the Air Quality Strategy update.

RESOLVED: That, subject to the re-scheduling of January items stated at the meeting, the overview and scrutiny work programme submitted in the report to the Committee be approved.

The meeting finished at 8.41 am

Signed

Date

Chairman