

Scrutiny Committee – 1st December 2009

1. Minutes

South Somerset District Council

Minutes of the **Scrutiny Committee** held on **Tuesday 3rd November 2009** in the Main Committee Room, Council Offices, Brympton Way, Yeovil

(10.00 a.m. – 12.55 a.m.)

Present:

Members: Councillor Sue Steele

Dave Bulmer
John Calvert
Geoff Clarke
Carol Goodall
Tony Lock

Pat Martin
Derek Nelson
Keith Ronaldson
Jo Roundell Greene

Also Present:

Councillors Tim Carroll, Tom Parsley, Sylvia Seal, Rupert Cox and Lesley Boucher

Officers:

Philip Dolan	-	Chief Executive & Strategic Director (Corporate Services)
Rina Singh	-	Strategic Director (Place & Performance)
Vega Sturgess	-	Strategic Director (Operations & Customer Focus)
Donna Parham	-	Assistant Director (Financial & Corporate Services)
David Julian	-	Economic Development Manager
Gary Russ	-	Procurement & Risk Manager
Jo Gale	-	Scrutiny Manager
Jo Morris	-	Committee Administrator

66. Minutes (Agenda Item 1)

The minutes of the meeting held on Tuesday 29th September 2009, copies of which had been circulated were approved as a correct record and signed by the Chairman.

67. Apologies for Absence (Agenda Item 2)

Apologies for absence were received from Councillors Alan Smith and John Richardson.

68. Declarations of Interest (Agenda Item 3)

There were no declarations of interest.

69. Public Question Time (Agenda Item 4)

There were no members of the public present at the meeting.

70. Issues Arising from Previous Meetings (Agenda Item 5)

There were no issues raised from previous meetings.

71. Chairman's Announcements (Agenda Item 6)

The Chairman:

- expressed her thanks to the Scrutiny Manager for achieving grant funding from the South West Regional Improvement and Efficiency Partnership.
 - reported on the South West Scrutiny Network meeting she had attended with the Scrutiny Manager on 9th October 2009.
 - announced that she wished to change the order of the agenda and would therefore be taking Agenda Item 10 – Verbal update on the Wind Turbine at the Innovation Centre prior to Agenda Item 9 – Somerset Tourism Partnership Annual Scrutiny Report.
-

72. Verbal Update on Task and Finish Reviews (Agenda Item 7)***Cultural Strategy Review***

The Chairman of the Cultural Strategy Review, Councillor Dave Bulmer reported that he had held his first meeting and that members had received a presentation from Rob Jones of Somerset County Council. He reported that the Cultural Strategy was due to be launched online and that there was a need for further meetings of the Review Group, as one of the main issues to be looked at was how the Cultural Strategy would link in with South Somerset.

Choice Based Lettings Review

The Chairman of the Choice Based Lettings Review, Councillor Jo Roundell Greene, reported that at the last meeting the group had received a presentation from Kirsty Jones. It had been agreed to break down the review into 5 areas: Consultation, Statistics and Benchmarking, Policy, Web and Publications and Telephone bidding. Benchmarking and Consultation meetings had already taken place. One of the main problems was about keeping the review focussed. The Terms of Reference were now in place and everyone was working hard and all authorities had signed up to the review. She thanked all members of the Group and the Scrutiny Manager for their time. The next stage included looking at how the review would work and appointing an outside person to collate and produce best practice guidance.

Budget - Inescapable Commitments and Challenges Review

The Chairman of the Review, Councillor Sue Steele reported back on the Review Group that had considered the inescapable commitments. Appendix 1 attached to these minutes gives further details including comments of the Review Group.

73. Verbal Update on Issues Raised at the District Executive Meeting held on 1st October 2009 (Agenda Item 8)

The Vice Chairman, Councillor Jo Roundell Greene, reported that she had taken forward the questions and comments raised by the Scrutiny Committee to the meeting of the District Executive held on 1st October 2009. Members noted the following:

- Community Infrastructure Levy: Consultation Document - the comments of the Scrutiny Committee had been discussed and all points that were a concern were covered in the minutes of the District Executive meeting.
 - The Process to Acquire Land for Purpose of Gypsy and Traveller Provision – the issue of the ward member being involved earlier in the process had been discussed and would be taken forward.
-

74. Somerset Tourism Partnership Annual Scrutiny Report (Agenda Item 9)

The Portfolio Holder for Leisure and Culture, Councillor Sylvia Seal, introduced the report, which updated members on the work of the Somerset Tourism Partnership. She explained that the Council committed £30,000 to the Somerset Tourism Partnership, which consisted of Somerset County Council, Taunton Deane, South Somerset, Mendip, Sedgemoor District Councils. She referred to the governance of the Partnership and that the majority of revenue was received from the public sector, although a grant of £13,000 was expected from SWDRA. Reference was made to the expensive cost of producing the Tourism Brochure and that the website was being hit more than the brochure and that distribution and the cost of the brochure was an area to be looked at in the future.

The Economic Development Manager ran through the report making particular reference to the following:

- The private sector were involved with the Partnership including the National Trust, Brean Leisure Park and local hotels and B&Bs;
 - The private sector generated an income of £100,000 in advertising costs;
 - The main public sector partners each contributed £30,000 to the Partnership with the exception of Mendip who had reduced its contribution to £25,000 (this was not reflected in the current budget);
 - The possible budget constraints in the future;
 - Rina Singh, Strategic Director (Place & Performance) would represent SSDC on the Economic Leaders Group;
 - Work undertaken by the Partnership included the Tourism Brochure, which had a circulation of 250,000. The brochure was expensive to put together with £50,000
-

being spent on distribution and £100,000 to produce it. This year the brochure had also appeared aboard;

- Conversion research and analysis undertaken. The conversion rate for last year for the brochure was as high as 50 to 1 for some Districts, this was an excellent figure;
- The STP had procured the services of Fresh Marketing which had helped secure press coverage with the national press;
- Leaflet production by the Somerset Tourism Partnership which has included 'car free holiday routes';
- The Visit Somerset website was recording 2,000 hits per day, was very versatile and worked well. It was acknowledged that the brochure worked well but remained a high risk venture for the future. It was envisaged that there would not be a brochure in 2011;
- An overview of the Somerset Tourism Partnership budget, which was hosted by Taunton Deane. It was noted that the 08/09 roll over had arisen partly because the brochure distribution fell into two calendar years and not financial years;
- The work of the SSDC Tourism Team and new management arrangements including the work of the TIC's. It was acknowledged that the TICs were expensive to run and was an area that needed to be reviewed in the future;
- Somerset County Council were working on a partnership delivery plan for 2010/13, which would offer opportunities for partners to streamline their operations and to make efficiency savings.

The Portfolio Holder for Leisure and Culture commented on the overall value that the Somerset Tourism Partnership has achieved.

Members congratulated the Economic Development Manager on his excellent report and the fantastic work undertaken by the Somerset Tourism Partnership.

In response to questions and comments, the Economic Development Manager informed members of the following:

- Somerset was the only authority producing a brochure. All others were produced and led by the commercial sector;
- The importance of the trade needing to get involved and the future being commercially led;
- Although West Somerset did not make a financial contribution to the Partnership they still attended meetings and there was also support from businesses in West Somerset;
- The Website was accountable for 70% of the trade to the County;
- One day per week of officer time was spent working on the Partnership;
- The brand image for South Somerset was focussed around food and drink;
- Consideration needed to be given to the cost of the brochure in comparison to the website.

In response to a member comment concerning the Council structure, the Chief Executive reported that all members had received the structure charts through approving the Council structure at Council. There were two appointments still to be made and it was hoped that this would be completed within the next two weeks. Members would then be updated with officer names and what each service covered.

One member referred to the Cultural Strategy and the possible duplication of work as she had been informed that the Cultural Strategy website would be including tourism information. There was a danger that the site could become a tourist information site

and would therefore have an adverse impact on the sites already in operation. In response, the Portfolio Holder for Leisure and Tourism commented that she would take this issue back to SCC. Members could also raise the issue to be feedback as part of the Review.

Councillor Rupert Cox commented on the future of the tourism industry and the need for Marketing to be driven by the private sector but with some public sector support.

The Leader of the Council referred to the current model being unsustainable and needing to be more commercially led.

One member in referring to the budget outlined in the report commented that it was not presented in a clear and easy way to understand and it was felt that further explanation was needed about the figures. The Economic Development Manager confirmed that he would take back to the Partnership the need for clearer accounting headlines and to request a representative from Taunton Deane Borough Council to attend the Scrutiny Committee for the next annual update report.

RESOLVED: That the report be noted.

*David Julian, Economic Development Manager – (01935 462279)
e-mail: david.julian@southsomerset.gov.uk*

75. Verbal Update on the Wind Turbine at the Innovation Centre (Agenda Item 10)

The Portfolio Holder for Environment and Property, Councillor Tom Parsley commented that the wind turbine at the Innovation Centre came under the Environment and Property and Economy, Planning and Transport Portfolios.

The Strategic Director (Operations & Customer Focus) reported that the wind turbine had been installed in June 2009 and that the Council had invested £12,500. It was located in a windy spot and payback would be within 2.2 years. The presence of the wind turbine had improved the business case of the building and since its installation occupancy of the building had increased. Officers were very pleased with its payback, position and the way that it had been performing.

Members were informed about the circumstances with regard to the wind turbine being switched off after a month of operation. The manufacturer had encountered a problem with another wind turbine in Norfolk and as a precaution had asked the Council to stop the turbine. The turbine had been switched back on as soon as the manufacturer was content that there was not a similar problem with the turbine at the Innovation Centre.

The Strategic Director (Operations & Customer Focus) informed members that she received a weekly update on the amount of electricity measured and could send this information to members of the Scrutiny Committee.

Councillor Pat Martin said that she had a number of concerns over the installation of the wind turbine. The turbine had been installed on 11th June but was not fully operational until 16th June and there had also been a period of inactivity from 3rd September. She asked whether the Council would be receiving any compensation for the loss of earnings during the periods of inactivity. Reference was also made to the income levels that the Council was receiving and whether the price could be

renegotiated. It was noted that if the wind turbine had been installed after the 17th July, the Council would have been eligible to receive 23 pence for every Kw produced, plus a further 5 pence for every Kw exported to the grid. At present the Council was only receiving 9 pence for every Kw produced.

In response, the Strategic Director (Operations & Customer Focus) said that she had written to the company stating that the Council would expect compensation should there be any further problems. With regard to payback of ROCs, these were only paid if there was a surplus of electricity over and above that being used by the Innovation Centre. She said that there might be times especially at night when the turbine might produce more and this could then be exported into the grid. She explained that officers were looking at alternative schemes, which would help the Council to achieve best value for money. The Government was due to introduce a new tariff scheme from April 2010 and that the Council would benefit from this.

In response to a member question regarding ongoing maintenance and other liabilities, the Portfolio Holder for Environment and Property said that the wind turbine was still under guarantee from the manufacturer and was very low maintenance. The turbine was a small prototype machine and was an example of 'small scale' electricity production used by the Innovation Centre.

The Strategic Director (Operations & Customer Focus) agreed to get back to one member with regard to the date that the wind turbine had been commissioned acceptable to hand over to the Council as fully operational.

Members noted that Keith Wheaton Green was the Climate Change Officer for the Council. The Council had received a considerable amount of grant funding and was able to access advice from external bodies.

The Leader of the Council commented that he and the Portfolio Holder for Environment and Property had met with the Energy Saving Trust who had put forward a number of interesting proposals and that the Council was trying to be a lot more active.

- RESOLVED:**
- (1) That the verbal update on the Wind Turbine at the Innovation Centre be noted; and
 - (2) That the Strategic Director (Operations & Customer Focus) provides further information regarding the date that the wind turbine was installed.

Vega Sturgess, Strategic Director (Operations & Customer Focus) – (01935 462200)
e-mail: vega.sturgess@southsomerset.gov.uk

76. Impact and Progress of Risk Management Policy (Agenda Item 11)

The Procurement and Risk Manager introduced the report, which updated members on the risk management process and procedures that are in place at the Council. He said that the authority had done a lot of work to embed risk management and the Council now had a manageable risk register and was moving towards a greater awareness of its position. It was the role of the Audit Committee to ensure risks were correctly identified and managed. He stressed that risks may appear in isolation but overall may impact on other risks and these may all add up to bigger risks. The next

phase was to understand what risks the Council are taking and what risks the Council can take.

The Leader of the Council commented that risk management required a cultural change at all levels and had to be part of the Council's thinking and that without risk management the Council could be accused of not acting in the best way. He said that it was important for the Council to make right decisions on an informed basis.

In response to comments and questions, the Procurement and Risk Manager informed members of the following:

- There were varying degrees of depth of understanding and awareness of risk management amongst staff;
- There was an e-learning module on risk management which was available for all staff to access;
- It was recently agreed by the Audit Committee that the Procurement & Risk Manager would provide training for third party organisations as there was a need to make them aware of risk management;
- Procurement rules had changed and Councils were encouraged not to award contracts to the lowest price but to look at what offers best value for money and to take a more balanced view about price and quality;
- Examples of risks including less obvious risks were available for officers;
- The Council should be robustly refuting if unfairly criticised through the inspection regime. Evidence was much better now but there was still some way to go;
- Risks that appeared above the risk appetite line on the heat map needed to be looked at periodically by the Executive and Management Board.
- On occasions the Council needed to look at the total risk profile and be collectively aware about how risks can have relationships to one another.

The Leader of the Council commented that the Audit Commission would be looking for evidence and application of that and would take isolated examples. The Audit Commission had favourably received the current mechanisms in place.

RESOLVED: That the arrangements in place for managing risk be noted.

*Gary Russ, Procurement and Risk Manager – (01935 462076)
e-mail: gary.russ@southsomerset.gov.uk*

77. Scrutiny Capital Strategy Review Conclusions (Agenda Item 12)

The Chairman, Councillor John Calvert gave a presentation to members on the conclusions of the Capital Strategy Review.

The Assistant Director (Financial and Corporate Services) made reference to the Gate system and changes to the proposed scoring system.

It was noted that the Area Committees views would be sought on the outcomes of the Strategic Asset Management Group class reviews but the final decision would be made elsewhere.

It was noted that Councillor Robin Munday was only an advisor on the Review Group and not a member.

Members endorsed the recommendations of the Capital Strategy Review Group, as outlined by Councillor John Calvert in his presentation, to go forward to the District Executive for consideration.

RESOLVED: That the following recommendations of the Capital Strategy Review be endorsed by the Scrutiny Committee to go forward to the District Executive for consideration:

- Introduce Revised Strategy for financial year 2010/11 and Scrutiny assess the scoring methodology by September 2010.
- Management Board assess all capital bids on an annual basis.
- Remove the fixed link between revenue interest and capital projects or Remove the necessity of Council Tax increases to ensure Capital Schemes can be funded.

*Donna Parham, Assistant Director (Financial and Corporate Services) – (01935 462225)
e-mail: donna.Parham@southsomerset.gov.uk*

78. Reports to be considered by District Executive on 5th November 2009 (Agenda Item 13)

As members of the Scrutiny Committee were discussing a confidential District Executive report on the Recycling Bring Bank Rationalisation, the Committee resolved, in accordance with Section 100A(4) of the Local Government Act 1972 (as amended) that the press and public be excluded from the meeting for the discussion of this item in view of the likely disclosure of exempt information as described in Paragraph 1 and 4 of Part 1 of Schedule 12A to the Act, i.e. Paragraph 1: Information relating to any individual, and Paragraph 4: Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.

The Chairman of the Scrutiny Committee briefly ran through the reports due to be considered by the District Executive at its meeting on 5th November 2009.

The Chairman agreed to take forward the following points raised by members:

Future participation of SSDC in the Pioneer Somerset Project

- Why did SCC not have to adhere to the 12 months notice period?
- This did not inspire confidence in partnership working.
- Option 2 was the preferred option of the Scrutiny Committee (Derek Nelson abstained from voting on this).

Recycling Bring Bank Rationalisation

- The comments of the Scrutiny Committee were not incorporated within the District Executive report. (The Portfolio Holder had been requested to take forward the comments of the Scrutiny Committee).

- The Scrutiny Committee remained disappointed with the withdrawal of the Bring Banks prior to the roll out of the Sort It Plus Scheme.
-

79. Scrutiny Work Programme (Agenda Item 14)

Members were reminded to complete the 'Selection Criteria for Scrutiny Work Programme' form, which was circulated with the agenda for the meeting, and return it to the Scrutiny Manager to be discussed at the next meeting of the Scrutiny Committee.

RESOLVED: That the Scrutiny Work Programme be noted as outlined in the agenda.

*Jo Gale, Scrutiny Manager – (01935 462077)
e-mail: joanna.gale@southsomerset.gov.uk*

80. Executive Forward Plan (Agenda Item 15)

RESOLVED: That the Executive Forward Plan be noted as outlined in the agenda.

*Angie Cox, Democratic Services Manager – (01935 462148)
e-mail: angela.cox@southsomerset.gov.uk*

81. Date of Next Meeting (Agenda Item 16)

Members noted that the next meeting of the Scrutiny Committee would be held on Tuesday 1st December 2009 at 10.00am in the Main Committee Room, Brympton Way, Yeovil.

Members of the Committee are invited to attend at 9.30am to scope questions on the report in the agenda.

.....
Chairman