

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
OVERVIEW AND SCRUTINY BOARD

Minutes of the Meeting held on 07 December 2020 at 2.00 pm

Present:-

Cllr S Bartlett – Chairman

Cllr T O'Neill – Vice-Chairman

Present: Cllr D Borthwick, Cllr M Cox, Cllr L Dedman, Cllr B Dion, Cllr M Earl,
Cllr J Edwards, Cllr D Farr, Cllr L Fear, Cllr M Howell, Cllr D Kelsey,
Cllr C Rigby, Cllr L Allison (In place of Cllr G Farquhar) and
Cllr M F Brooke (In place of Cllr V Slade)

Also in attendance: Cllr D Mellor, Cllr P Broadhead and Cllr R Burton

97. Apologies

Apologies were received from Cllr G Farquhar and Cllr V Slade.

98. Substitute Members

Cllr L Allison substituted for Cllr G Farquhar and Cllr M Brooke substituted for Cllr V Slade.

99. Declarations of Interests

Cllr J Edwards advised for the purpose of transparency, in relation to agenda item Scrutiny of Transformation and Finance Related Cabinet Reports - Organisational Design - Acceleration of Transformation Savings for 2021/22 Budget, that a family member worked for BCP Council but that she would remain open minded in considering all that would be discussed.

In relation to agenda item 7, Scrutiny of Officer Decision - Durley Road Car Park Development, the following interests were declared:

Cllr M Brooke declared a local interest as he was a Bournemouth Development Company Board member, however he advised that he may choose to either speak or vote on this item and sought guidance on this issue. Democratic Services advised that this was a local interest and therefore the Councillor should consider the bias and predetermination tests when deciding whether to participate in this item.

Cllr L Dedman, Cllr M Howell and Cllr L Allison were all Cabinet members at the time that the Cabinet decision was taken to delegate authority to the Chief Executive to take the officer decision on this matter. Therefore following advice from the Monitoring Officer and in accordance with the requirements outlined in the BCP Council Constitution they each advised that they would not be taking part in this item.

100. Confirmation of Minutes

The minutes of the meetings held on 2 November and 16 November were agreed as a correct record.

101. Action Sheet

The Board's latest action sheet was noted.

102. Public Speaking

There were no public, statements, question or petitions submitted for this meeting.

103. Scrutiny of Officer Decision - Durley Road Car Park Development

The Chairman introduced the item and explained the reasons why the report had come to the meeting. A copy of the report had been circulated to each member of the Board and can be found at Appendix 'A' to these minutes in the minutes book. It was an opportunity for the Board to consider the decision taken and the reasoning and requirements behind the decision but it was explained that there was no opportunity to 'call-in' the decision. The Chairman advised that he had invited Mr Carr, Chief Executive of Fortitudo and a local property developer to attend the meeting to provide some insight on his view of the Council's decision regarding the lease for the site and explain further as regarding his offer for the site at a higher amount than the Value for Bournemouth Development Company (BDC).

The Chief Executive, as the Corporate Property Officer responsible for the Officer decision being scrutinised explained the background and the reasoning for the decision.

Mr Carr outlined his involvement in the site and the offer which he had made. Fortitudo had offered £1.5m, which was slightly less than the companies own options appraisal for the site. He raised further issues concerning the Council's arrangements with BDC and suggested an audit of the sites developed should be undertaken. There was concern raised that the Council was not complying with section 123 of the Local Government Act 1972 regarding disposing of land at Best Value and also concerns with

Councils controls on planning and whether there was a break clause within the agreement. The Board was advised that the options agreement as referred to in the decision record had not been seen by many, the red book valuation was based on unknown assumptions and the disposal value was less than a quarter of the offer made by fortitudo.

The Board was reminded that it was only the decision on the Durley Road Car Park site that was to be considered for Scrutiny and not the wider issues concerning BDC or previous developments.

The Chief Executive advised that deliverability for any site needed to be a foremost consideration, which was a contributing factor behind the initial BDC options arrangement. The Council was commissioning a review of the BDC partnership arrangements with partners and this would be an opportunity for the O&S Board to look at the arrangements overall. The Chairman requested whether the options agreement could be made available to Board members. The Monitoring Officer advised that it would be commercially confidential but should be available on the Council's contract register, although it may need to be redacted.

Members raised a number of points in the discussion which followed including:

- The difference between the red book value and the price which was being offered. It was noted that the difference in these values would be due to potential claims for losses from commercial partners and would be related to a commercial negotiation with partners at Morgan Sindall.
- What the penalties would be if the Council didn't go ahead with the project and whether the same penalties applied to Morgan Sindall if they withdrew from the agreement. It was noted the BDC was a company owned jointly by Morgan Sindall and the Council at 50 percent each. Morgan Sindall would fund developments up front therefore if they did not go ahead they would be financially penalised. Both parties would be contractually bound in the same way and there would be contractual penalties.
- A Board member asked how the decision taken met best value requirements. The Chief Financial Officer referred the Board to the decision record as to how the value was arrived at and how it met section 123 of the Local Government Act and what the Council was looking at to ensure that the decision was legally compliant.
- The Chairman asked why the independent valuation report didn't take into account any other market offers made. It was noted that it was valued at its existing use as a car park and the wider market level rather than any offers which were made on the site. It was noted that the land was not for sale on the open market and open offers would not have been considered. Offers were made for sites frequently and would not be considered.
- The Chairman asked the Chief Financial Officer felt constrained by the contract arrangements made. The Chief Financial Officer advised that this appeared to be straying into Value for Money requirements of the original agreement. The independent valuation was double checked by Homes England. The Conclusion that this was the right thing to do was set out in the Officer Decision Record. In 2010 the arrangements for this were set out in a full OJEU notice which was supported by the Regional Development Agency at the time.
- A further query was raised regarding the constraints of the contract in ensuring meeting the requirements of section 123 of the Local Government Act 1972. The development agreement, which was contractually binding was set out 10 years ago which needs to be taken into account.

- A Board member commented that any offer can only be accepted with proper proof of funds. Red book value done by a qualified chartered surveyor – backed up by the Homes England.
- The Chairman commented on issues concerning land being disposed of at below market value and Stamp Duty Land Tax and the implications of a beneficiary in this situation. The Board was advised that this was a complicated issue and further advice would need to be sought on this before providing a response.
- Financing for the development company and the source of the loan coming from the Council. The loan to BDC was part of Council's treasury management strategy and the management of the Council's cash which was regularly reported to the Audit and Governance Committee on a regular basis. There was a very clear OJEU framework governing this issue.

The Chairman thanked Mr Carr for attending the meeting and summarised that clearly officers have followed the processes and procedures that they needed to abide by in this decision and the issues regarding Value for Money would be taken into account by the Audit and Governance Committee.

104. Forward Plan

The Chairman outlined a number of proposals for the forthcoming meetings for approval by the Board which included budget scrutiny proposals, Portfolio Holder sessions and an outline of items proposed for the meetings in January and February. The Chairman explained that in accordance with the suggestions made in the Board's development session the proposals aimed to help the Board get ahead of and influence policy formation and decisions.

Following discussions with Board members it was:

RESOLVED that:

- 1. That the budget would be considered in one of the scheduled February meetings and that the Chairman of the Health and Adult Social Care and Children's Services Overview and Scrutiny Committees be invited to contribute.**
- 2. Portfolio Holder updates be agreed as outlined in the Forward Plan. It was noted that this was a trial and would be reviewed to see if it was providing opportunities for O&S Board to develop and add value**
- 3. The items outlined on the Forward Plan for the scheduled meetings in January and February be agreed. There were no further requests from Board members for additional Cabinet reports to be brought forward for scrutiny.**

The Chairman suggested to the Board that as there was work coming forward on the BCP Local Plan this may be a good area for the Board to become involved in development and proposed that the Board establish a

working group to start work on this issue, he suggested a membership spread across the geographical area of the Council and that the group would commence work in January. A Board member commented that this was a major piece of work and important to the way we were moving forward as a Council.

RESOLVED: That a working group on the Development of the Local Plan be established with the Chairman as the lead member of the group. The Chairman would seek volunteers for the group and determine the final membership.

It was noted that the Working group on the accommodation strategy was no longer required as events had moved on and would be removed from the Forward Plan. The Economy and Tourism working group had not yet met, there were related items on the Cabinet Forward Plan for January and February, and it was agreed that a decision would be taken on whether to move forward with the group following these meetings.

It was agreed that the Tricuro Business Plan should be referred to the Health and Adult Social Care Overview and Scrutiny Committee.

It was also proposed that the item on the Carter School Expansion should be removed from the Board's Forward Plan. There were no objections raised by the Board Members to these proposals.

105. Scrutiny of Transformation and Finance Related Cabinet Reports

Organisational Design – Acceleration of Transformation Savings for 2021/22 Budget - The Leader of the Council and Portfolio Holder for Transformation and Finance introduced the report, a copy of which had been circulated and which appears as Appendix 'N' to the Cabinet minutes of 16 December in the Minute Book. A number of issues were raised by the Board in the subsequent discussion, including:

- In relation to Adult Social Care it was noted that most savings were to be found from pooling resources and significantly more investment would be going into this area. The consequences of the savings would be in back office functions and not frontline services.
- In response to issues raised regarding communications with staff on the changes to be made the Leader of the Council advised that it was important to get people on the journey quickly in order to actually reduce instability. In the past departments had been asked to 'top slice' which had led to issues of capacity, but this approach was about ensuring a transformation across the Council. It was acknowledged that there were areas of the Council where there were capacity issues such as Children's Services and Planning and investments would be made in these areas. A Councillor commented that it was important to ensure that capacity was measured, and the Leader advised that with the enterprise level approach this could be done.
- A Board Member questioned whether the Leader had been in consultation with the recognised trade unions. The leader advised that he hadn't as yet but would be happy to engage with them.

- The Leader advised the Board that there hadn't been any change in the overall figure from the previous administrations paper. A Board member commented that there was already streamlining in some areas, for example in licensing all three areas were coming under one policy and there were planning policies moving towards this.
- In response to a question regarding staff engagement the Leader advised that there was a cultural change and this was being done with people and not to people in order to create something exciting, streamlined and efficient.
- A Councillor asked about expanding apprenticeship schemes to help young people in the area and the Board was advised that they were looking to extend the care leavers scheme and welcomed more opportunities when we can.
- There were concerns raised, as outlined in paragraphs 14 and 15 of the report, regarding the reduction in headcount occurring in advance of the adaptation of new technology and ways of working and that by doing so, asking people to do more before the systems were in place to be able to do this well. That by reversing the process was a danger of affecting the mental and physical health of employees. It was noted that people would be brought together to work more efficiently and that more people were not always needed to do more work. Although it was agreed that this was more challenging, but it would ensure working more efficiently and putting more resources into the frontline. Councillors sought assurance that the impact on staff would be managed.
- Concerns were raised at the risks associated with the policy particularly in terms of impact on staff and how these would be identified and mitigated. The Leader advised that these needed to be managed properly and acknowledged the risk involved but there was significant savings which needed to be taken into account and that we were in a fortunate position to manage these through the transformation opportunities in the appropriate way with the support of officers.
- There was a change of process taking place, including that the pay and reward scheme was going to be put back by 3 to 6 months. The Leader was asked to explain the high-level risks and mitigations being taken, including capacity and service level risks and reputational risk to the Council and if these risks were not mitigated what 'plan B' would be. The Leader of the Council advised that we were in early stages, but it was fast paced. Risks would be mitigated by having a clear plan and having professional people supporting us in delivering this process in a planned and measured way.
- A Councillor commented that asking people to do more without giving them the tools to do more is a risk and that this radical transformation of people's lives required more than a passive communications strategy. The Leader responded that we would have to take a different enterprise level approach to savings and a massive communications programme was underway. Senior officers were speaking on the job family process and how this was going.
- The Chairman of the Children's Services Overview and Scrutiny Committee noted that there were particular challenges within Children's Services at the moment both due to Covid and other issues. The staff

within Children's Services were feeling vulnerable at the moment. The Leader was asked if savings made within Children's Services would be reinvested into Children's Services? The response was that Children's Services was the number one priority of not just the administration but for all Councillors. The administration was embracing the change agenda by Children's Services and there would be materially more funding for Children's Services next year.

- The Corporate Director for Resources advised that in terms of communications and engagement there was a structured programme of staff 'drop ins'. He also explained that the team was meeting with recognised trade unions on a regular basis in advance of full transformation. It was noted that if it was not done in this way, fully looking at and anticipating the effects across the organisation, savings would need to be found within small teams across the services. It was anticipated that if the new ways of working were applied with teams there was a real opportunity to realise savings. Capitalising on some aspects of the transformation programme.

Two motions were proposed by Board members to recommend to Cabinet that further action was needed on staff consultation and support after further discussion Board members came to agreement to combine this into a single motion as follows:

RECOMMENDED to Cabinet that it notes the proposed new approach and requests that the Council continue to consult staff extensively and ensures that adequate support is available to staff to ensure their wellbeing during the transformation process and that it continuously monitors the Council's capacity, particularly within Children's Services and Adult Services.

Voting: For - 9, Against - 2, Abstain - 4

106. Scrutiny of Regeneration Related Cabinet Reports

Wessex Fields Site Development Update - The Portfolio Holder for Regeneration, Economy and Strategic Planning introduced the report, a copy of which had been circulated and which appears as Appendix 'B' to the Cabinet minutes of 16 December in the Minute Book. A number of issues were raised by the Board in the subsequent discussion, including:

- What other parties were interested in the site and undertaking development there. It was noted that details were included in the appendices to the report which provided all responses. The responses were to the principles of the MOU which was already in place with the University, one was from the hospital for the whole site, others were from private sector developers to work with the hospital and university as a partner to the local authority. It was felt that it would be better for the Council to work directly with the partners rather than through an intermediary.

- A Councillor commented that they hoped that the changes made to make the site more sustainable by the previous administration were carried forward in proposed development.
- It was noted that it was difficult, without a plan for the land, to understand what would be brought forward in the first stage and whether it would be sufficient to accommodate the core business elements which were previously envisioned. The core aim of the university and hospital was to deliver the technical side which wasn't overly commercial but was very important to the site. The part of land the Council was looking to sell would accommodate this. It was noted that visions were aligned in terms of development and key worker housing. The sustainability part has always been key to the development.
- A Councillor commented that they supported the report and recommendation and was pleased that the site would be used for medical facilities.

107. Future Meeting Dates 2020/21 and 21/22

The future meeting dates were noted as outlined in the agenda.

The Board was advised that the meeting date of 3 January 2022 would need to be amended as it fell on a bank holiday.

The meeting ended at 4.57 pm

CHAIRMAN