

Performance, Finance and Customer Focus Overview and Scrutiny Committee

Wednesday 29 June 2022

PRESENT:

Councillor Penberthy, in the Chair.

Councillor Finn, Vice Chair.

Councillors Churchill (substitute for Councillor Ms Watkin), Coker (substitute for Councillor Haydon), Collins, Lowry, Stevens, Vincent and Wheeler.

Apologies for absence: Councillors Tofan, Haydon and Ms Watkin.

Also in attendance: Alan Knott (Policy and Intelligence Advisor), Rob Sowden (Senior Performance Advisor), Brendan Arnold (Service Director for Finance), Ross Jago (Head of Governance, Performance and Risk), Councillor Patel (Cabinet Member for Customer Services, Leisure & Sport), Craig McArdle (Strategic Director for People), Louise Kelley (Interim, Chief Operating Officer for PAL) and Helen Rickman (Democratic Advisor).

The meeting started at 2.00 pm and finished at 4.55 pm.

Note: At a future meeting, the Panel will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

1. **To Note the Appointment of the Chair and Vice Chair for the Municipal Year 2022/ 2023**

The Committee noted the appointment of Councillor Penberthy as Chair, and Councillor Finn as Vice Chair for the municipal year 2022/23.

2. **Declarations of Interest**

The following declarations of interest were made in accordance with the code of conduct:

Member	Subject	Reason	Interest
Councillor Coker	Leisure Services Contract	He was previously a Board Member on DCLL, and DCLT	Personal
Councillor Penberthy	Leisure Services Contract	Member of PEC renewables	Personal

3. **Minutes**

Members agreed that the minutes of 2 March 2022 were an accurate record of the meeting.

4. **Chair's Urgent Business**

There were no items of Chair's urgent business.

5. **Terms of Reference**

Members noted the terms of reference for the Performance, Finance and Customer Focus Overview and Scrutiny Panel.

6. **Policy Brief**

The Chair advised Members that the Policy Brief was attached to the agenda and moved straight to questions.

Alan Knott (Policy and Intelligence Advisor) responded to the following questions:

- clarification was sought as to how the council tracked policy decisions and the potential to apply for additional sums of money and the implications involved? It was responded that the policy brief referred to funding streams from Government and that some of these could be bid for by organisations outside of the Council and these were not tracked. In terms of funding that could be bid for by the Council, currently there wasn't a central tracking mechanism in place however the feasibility of introducing this would be discussed with the Strategic Director for Finance;
- could further information be provided on the £300m commitment to local authorities from Government to prevent youth offending; it was responded that updates would be provided to Councillors when available.

Members agreed to recommend that:

1. a central tracking system is established to assure Councillors that available funding opportunities are taken advantage of and that the implications are fully considered;
2. an update on the Government's £300m commitment to local authorities to prevent youth offending would be provided to Members when available.

7. **Work Programme**

The Chair introduced the draft work programme for the Performance, Finance and Customer Focus Overview and Scrutiny Panel as attached to the agenda, and advised Members that several select reviews were in the process of being planned.

Members noted the work programme.

8. **Tracking Decisions**

The Chair introduced the tracking decisions document and requested that the Democratic Advisor sought responses for the final few outstanding actions from previous scrutiny committee meetings.

9. **Corporate Plan Performance Report - Q4 2021 - 22**

Rob Sowden (Senior Performance Advisor) presented the Corporate Plan Performance Report Q4 2021/22 and highlighted the following key points to Members:

- (a) the report was the fourth and final quarterly performance report for 2021/22 and covered the period January to March 2022 and provided an opportunity to show improving and strong performance as well as challenges;
- (b) key achievements included: the % of household sent for recycling, reuse or composting increased in Q4 to 36.1%; the streets graded as at an acceptable standard had seen a consistent improvement in 2021/22 with 89% of the city's streets scored as at an acceptable standard; there were further reductions in the percentage of repeat referrals into the Council's social care service; last year the Council collected 98.7% of business rates and 96.8% of council tax which were achieving annual targets;
- (c) challenges in the report included: the rates of children on multiple child protection plans had increased slightly to 27.5% resulting in a missed target; sickness rates had increased (inclusive of covid 19 figures) and was considered to be one of the main reasons for short-term sickness during March 2022.

Member discussed the following:

- (d) who set the target for recycling at 39% as this was considered to be low and not very ambitious; it was responded that several things were taken into account when setting a target including discussion through the services, and the target set based on previous performance and benchmarking in terms of other local authorities and national indicators;
- (e) it was requested that detail be provided to Members as to the 39% target set for recycling in terms of why this percentage was agreed; It was responded that a written response would be provided to Members;
- (f) were all recyclables collected recycled? It was responded that a written response would be provided to Members;
- (g) could an update be provided to Members as to the carbon emissions emitted by the Council as the report didn't give an indication as to if it was moving in the right direction? It was responded that the Council had started to track carbon emissions and information would be provided to Members;

- (h) did the council receive a revenue from composting; it was responded that a response would be provided to Members;
- (i) how was the Council considering the creation of a varied efficient sustainable transport network with no assessment of the use of public transport? It was responded that there was an indicator as to bus patronage and that information could be made available to Members if required;
- (j) scrutiny panels had previously been offered a workshop to assess whether, from a scrutiny perspective, they considered that the KPIs were appropriate and that the panel would have an opportunity to feed into if that was the case and could feed into the process; it was hoped that the workshops would be delivered within the current municipal year in order to scrutiny to give a perspective upon the KPIs; it was responded that the recommendation would be taken forward and it would be listed as an item for consideration at the Scrutiny Management Board;
- (k) it was commented that the figures for transport were taken from the yearly NHT survey however Plymouth did not appear to be compared against other comparable cities as Plymouth's trend was in a negative way on all KPIs. The NHT survey that the figures were based upon gave a false impression of where Plymouth was nationally;
- (l) with regards to the focus on prevention and early intervention (KPIs 10 – 13), the number of rough sleepers was very small compared to the number of families in bed and breakfast; it was requested that this issue be covered in the KPI workshop.

It was agreed that –

1. a written response would be provided to Members providing more detail as to why there was a 39% target set for recycling as this was considered rather low;
2. a written response would be provided to Members as to whether all recyclables collected were able to be recycled;
3. a written response would be provided to Members upon carbon emissions emitted by the Council;
4. a written response would be provided to Members regarding if the Council received revenue from composting;
5. a workshop is held so Members can understand and help the positively influence the process of target setting regarding key performance indicators and discuss what performance information is most appropriate for the scrutiny function (this would be listed as an item for consideration at the Scrutiny Management Board);
6. the Corporate Plan Quarter Four Performance Report is noted.

10. **Capital and Revenue Outturn Report 2021/22**

The Chair introduced the Capital and Revenue Outturn Report 2021/22 and advised Members that the report had been submitted to full Council earlier in the month. Members were directed to the questions submitted in advance of the meeting by Councillor Lowry and Brendan Arnold (Service Director for Finance) responded as follows:

- (a) what were the budgets for departments set at the beginning of the year versus the outturn (not the latest forecast); it was responded that the figures in table two in the report under 'net budget' were the original budget figures that would be seen in the preceding February's budget report however it was practice to input into those machinery of Government changes, i.e. if a team moved between the directorates then the budget and the accompanying actual figure was also moved in the outturn table. That didn't make a difference to the budget that was being monitored against. In 21/22 the changes were principally around the business support review programme;
- (b) the report made reference to reduced demand for some services, what were these and what were the savings to date? It was responded that because of the pandemic, both in 20/21 and 21/22, some expenditures had been deferred, e.g. extended order periods for good and services. A figure of £9.4m had been moved forward to the new budget year as a carry forward to balance the budget;
- (c) the report made reference to savings as a consequence of reduced demand however it was highlighted that one person's demand was another person's restricted access (e.g. with a library – if it were open for five days a week and ten people went in five days a week you get 50 people, however if you open for two days a week you might only get 20 people going in therefore it wouldn't be reduced demand, it would be restricted demand). Was there assurance that the reduce demand wasn't restricted demand? In response it was confirmed that the Service Director for Finance would do further research as to whether savings were made as a result of reduced demand or restricted demand and would provide a response to Members;
- (d) why did children's services not make the planned saving of £4m and what actions were being taken to recover the missing savings? It was responded that insights were provided by the relevant department however there were significant successes in obtaining the savings in that year, e.g. the school transport delivery plan was delivered but the impact was offset by the additional costs of drivers. In addition the fostering delivery plan did not go entirely to plan as additional retirements and a shortage of foster carers which drove up costs elsewhere devoted to the care of children. Significant inroads were made to the savings target. There was a level of optimism that the delivery of the savings plan would be delivered in full – it was agreed that this would be provided to Members in a written note after the meeting;
- (e) the capital programme expenditure was approximately 50% of the planned budget, what projects had been affected and how did this affect the planned

borrowing and investment approach? In response it was reported that, if the council was spending less money then in terms of daily market operations and placing cash on which it earns a rate of interest, that allowed cash to be placed in greater sums in the best places possible whilst balancing the risk in terms of the Council's investments. Some investments were in higher yield places, and others were in lower yield places in order to balance the risk. It was considered that the Council was using those resources effectively to generate income. Currently there were a number of projects which had seen an element of re-phasing and slippage which included the crematorium, the Forder Valley Link Road, the Railway Station, Burrington Way. This was an issue affecting Council's across the country;

- (f) what was the effect of rising energy costs and fuel costs with the outturn, also contracts for hedging our electricity, were these impacted? In response it was highlighted that 2021/2022 the upturn in energy prices began the last quarter so the impact wasn't as big. Officers were preparing the forecast and it would be available shortly. The Council was expecting significant additional costs on energy moving forward and a number of initiatives to deal with this may be introduced to save money and reduce the use of energy.

It was agreed that –

1. the contents of the Capital and Revenue Outturn Report 2021/2022 was noted;
2. a written response would be provided to Members on whether savings in the budget were made as a result of reduced demand or restricted demand;
3. a written response would be provided to Members on the £4m savings target in the Children's Services directorate and how this would be delivered;
4. information, as a result of the deep dive into Children's Services by the Strategic Director for Finance, the Portfolio Holder for Finance and Children's Services, and the Shadow Portfolio Holder for Finance, would be provided to Members of the Performance, Finance and Customer Focus Overview and Scrutiny Panel as well as the Children and Young People Overview and Scrutiny Panel.

11. **Member Development Update**

Ross Jago (Head of Governance, Performance and Risk) presented the Member Development Update and highlighted the following key points:

- (a) Member development work had been curtailed during the course of the pandemic however focused instead upon enabling Members to access meetings virtually over the period of lockdown;
- (b) the Member Induction programme had recently been conducted taking place after the May election with a slightly different approach whereby sessions

were offered online with a focus upon afternoon and evening sessions to accommodate Councillor availability; feedback was welcomed;

- (c) the report set out the Council's ambition to gain a chartered status for member development; the chartered status was assessed and awarded by the Local Government Association along with Southwest Councils and was considered a lengthy process potentially taking up to one year to achieve. It was hoped that a member development strategy could be developed with the assistance of a cross-party member steering group; further information was outlined in the report.

Members discussed:

- (d) the prospect of initiating a working party was welcomed as it was considered that the involvement of Councillors in member development would help to build a successful programme; Councillors knew the level of information and support they needed as different stages in their lives as a Councillor. It was considered that previously there has been a tendency to bombard Councillors with information having only just been elected when in reality at that stage they only required basic information;
- (e) it would benefit the member induction programme if it was extended over a longer period of time making it a process of delivery other than an event with a bespoke approach;
- (f) the relationship between the working group and the Performance, Finance and Customer Focus Overview and Scrutiny Panel was queried; was there a potential for the scrutiny panel and working group, both being a cross party group of Councillors, to create a conflict in terms of efficiencies and approach? It was responded that there was an expectation that Councillors would use their group meetings to have private discussions and agree a consensus or discuss issues and work collaboratively. The working group was also a requirement of the charter status;
- (g) it was considered that equalities and diversity should be included in the training programme;
- (h) was there anything that could be done to make training around corporate parenting, child and adult safeguarding and code of conduct mandatory? It was responded that there were limited sanctions that officers could follow to ensure that Councillors undertook the training however over the course of the member development strategy, if councillors felt areas should be compulsory then it was suggested it should be taken to Council so all Members could take part in that debate and vote upon it. Further discussion would be required as to how it was monitored and if sanctions were required;
- (i) it was considered that a more organic system should be created between officers of the Council and Councillors as a development opportunity to learn the role of each other and to enable better working relationships;

- (j) an area induction day might be useful to help build relationships between councillors and staff; this was well received and would be considered;
- (k) a mock council meeting would help new councillors and to demonstrate how council meetings were conducted;
- (l) political awareness and language used, specifically regarding officers and their understanding of the role of the Councillor, should be considered as part of the member development programme.

It was agreed that Members –

- 1. note the activity undertaken and planned development opportunities;
- 2. support the ambition to gain Member Development Charter Status and necessary strategy development;
- 3. support the creation of a Councillor Development Steering Group to report to the Audit and Governance Committee of the Council;
- 4. receive further updates outside of the meeting (via email etc);
- 5. receive for scrutiny at a future meeting of the Committee, a draft Member Development Strategy in advance of its approval (Reason: for the Council to formalise its approach);
- 6. recommend that the Councillor Development steering group:
 - considers what training could become mandatory;
 - looks at proactive ongoing organic type development of specific skills and understanding for Councillors
 - looks at how to improve the induction programme for new or returning Councillors.

12. **Leisure Services Contract - To Follow**

Councillor Patel (Cabinet Member for Customer Services, Leisure & Sport), Craig McArdle (Strategic Director for People) and Louise Kelley (Interim, Chief Operating Officer for PAL) presented the Leisure Services Contract report and highlighted the following key points:

- (a) the Leisure Services Contract with PAL had been in place for approximately two months taking over from Plymouth Active;
- (b) significant progress had been made since the leisure services contract was presented to the scrutiny panel three months ago; the contract started on 1 April 2022, the TUPE of 215+ staff had taken place and was a big undertaking and Louise Kelley had been appointed as Interim Chief Operating Officer for PAL. It was considered that there was still a lot of work to be done, all whilst

working through a difficult trading environment for leisure services.

Members discussed:

- (c) it was considered that effective communication had not taken place with local people; it was considered that local engagement was important to the success of this contract; it was responded that a marketing manager had recently been appointed and work with the local community would take place;
- (d) who the community representatives would be on the governance board; it was responded that the draft terms of reference for the board would be circulated within the next fortnight and social media would be used to advertise positions;
- (e) where did the electricity from the solar panels from the Life Centre go to? It was responded that the electric got recycled into the budget of energy consumption; nothing went back to the grid;
- (f) what was the coverage of the health and safety audit and did security still work at the Life Centre? An incident had recently taken place with some young lads being attacked; the health and safety audit was of industry standard and was against the policies in place at the building. Security guards did work at the Life Centre at peak times and when the circus was at Central Park;
- (g) was the Council's sports facilities in danger of closing due to the lack of availability of chemicals for the water? It was responded that the council was aware of the national chemical shortage and was making plans to have appropriate supplies;
- (h) why was reference to Plymstock swimming pool not made in the report? It was responded that this was managed by Leisure East Devon;
- (i) what was the budget for the project? It was responded that the budget for Leisure Management was £5m, and the contribution from the Council was through a contract – there were risks around energy and membership;
- (j) it was requested that an update was made at the next Performance, Finance and Customer Focus Overview and Scrutiny Committee detailing full profit and loss for each facility, along with appropriate actions plans for recovery/ mitigation;
- (k) were officers aware of energy costs and could a breakdown of price per kilowatt be provided? It was responded that this could be provided as part of the deep dive into the project;
- (l) what were the expected levels of membership for the facility? It was responded that this could be provided as a deep dive into the project;

- (m) if the Council was unable to facilitate engagement to the 'satellite' sport and leisure centres would they be sold and when Plymouth Active Leisure was set up was there a consideration for bringing in tennis courts/ bowling clubs into the contract? It was considered that officers had missed a lot of income generation there; it was responded that tennis courts and bowling clubs were not considered. In terms of sustainability of the centres were brought into the contract so they were more sustainable.

The Committee agreed that –

- (1) a report would be provided at the next meeting to consider financial profit and loss for each leisure facility, including membership details, investment information and opportunities and risk (part 2 report required);
- (2) Officers consider the feasibility of bringing all of the Council's leisure facilities into one contract to enable better management and potential cost saving opportunities.

13. **Bereavement Update - To Follow**

Councillor Patel (Cabinet Member for Customer Services, Leisure & Sport), Anthony Payne (Strategic Director for Place), Graham Smith (Assistant Manager for Bereavement Services), Karen Jennings (Head of Bereavement Services), Nick Anderson (Ward Williams), Caroline Cozens (Head of Strategic Programmes) and Will Bailey (AECOM) presented the Bereavement Update. The following key points were highlighted to Members:

- (a) the Council had provided bereavement services for the city and surrounding areas for many years however current facilities at Weston Mill and Efford were outdated and inefficient and were in need of modernisation to meet the needs of users now and in the future;
- (b) in 2017 the plan for a new crematorium was conceived and received cross party support from Members; the main vision was a park like feel with a nature and woodland theme which would allow the citizens of Plymouth to remember and memorialise their loved ones for years to come. In June 2018 a business case was approved for the new build to be paid for by service borrowing based on provisional figures. Land was purchased off Haye Road in Plympton with a café and walk in facility;
- (c) a presentation was provided for Members highlighting plans for the site, photos from the site as well as latest drone footage taken in May 2022. As shown, significant work had taken place over the last five years in converting the grazing fields. Kier the main contractors had delivered enabling works bringing services to the site and now the project was at the point of requiring approval to appoint a design and build contract for the full construction;
- (d) the cost of the project had risen since the initial forecast and due to unprecedented events outside of the council's control including covid 19, Brexit, the Ukrainian war and energy cost increases. In June 2018 the project

cost was approximately £12m, in June 2020 the project costs had increased to approximately £16m (following design development) and in October 2021 the cost was reviewed against the developing design and was estimated at £22.98m. By February 2022 the market had continued to rise and the impact of covid was reflected in the cost increase. To limit the Council's exposure to risk and changes to the design and build passing risk to the contractor at short term cost increases, the cost now stood at £29.4m (comprised of service borrowing of £16m and the remainder from corporate borrowing).

Members discussed the following:

- (e) it was queried that the project was to be funded by £16m from service borrowing and £13.4m from corporate borrowing, however the Council's capital programme only reflected £4m from corporate borrowing for this project – when would the increased funds be reflected in the capital programme? It was responded that the additional corporate borrowing was estimated at £350k in the current year and could be accommodated within the capital programme; an executive decision could be taken to commit to the spend in the present year. There was a proposal to vire resources from the FM capital budget to enable the contract to be signed and received without further cost pressures arising from the delay;
- (f) requested that a revised business case for the project was submitted to the capital board for approval with sign off by the Leader – it was highlighted that a trail was needed to fully understand the changes to the project and that the business case should be updated to reflect costs;
- (g) how confident were officers/ the Cabinet Member that the Council wouldn't receive a lesser product for its money when a contractor, appointed under a design and build contract, might look to mitigate their costs by making changes to the project? It was responded that the contractor would go out to tender for each area of work/ package and would price to agreed quality specification;
- (h) how confident were officers/ the Cabinet Member that the contractor would be able to deliver the expected standard of work for the agreed price when the impact of Covid 19/ Brexit/ Ukrainian War/ rising energy prices was still ongoing? There were concerns that the cost of the project would further increase. It was responded that a fixed price cost contract was required urgently to protect the Council however the Council was working to deliver the project on cost. It was further explained that the Council's had moved to a design and build contract at a late stage so the project was now in an advanced stage. The project was further de-risked by the fact that enabling works and ground works had already taken place limiting exposure to future price increases. The contractor would price the risk in to the project going forward;
- (i) that a governance board for the project was set up to include the portfolio holder and shadow portfolio holder to ensure that Members were included in the development of the project going forward; this was welcomed by the

Cabinet Member;

- (j) what was the contingency plan in the event that the existing crematoria provision couldn't deliver before the new provision was ready? It was responded that the Council would work with cremator companies, such was the case with the Efford Crematoria fire, to continue service delivery;
- (k) what was the estimated date of the opening of the facility? It was responded that the expected delivery date was April 2024;
- (l) it was expressed that the Life Centre project cut corners to achieve an opening date and work to a budget however since being opened the Life Centre had felt the impact of Covid 19 and work was ongoing to fix issues – how would the Crematoria project be different ensuring that quality was driving the project? It was responded that the value engineering experience would not be impacted as customer experience was a priority;
- (m) what had been done in terms of a lessons learnt approach in light of the impact of the last couple of years in order to prepare/ safeguard future major projects? It was responded that the increase in cost and delivery of the project in 2021/22 was unprecedented however the focus upon a governance framework with a strong political, external officer and internal officer insight was key as well as internal gateway review processes.

Members agreed to recommend that:

1. Cabinet were encouraged to act swiftly in signing a design and build contract for the construction of the Crematorium works;
2. an updated business case for the Crematorium project was submitted to the Performance, Finance and Customer Focus Overview and Scrutiny Committee to be discussed under part 2;
3. a governance board was established by Cabinet with cross party membership as a matter of urgency for the Crematoria project.