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KIRKLEES COUNCIL

CORPORATE SCRUTINY PANEL

Wednesday 15th November 2017

Present: Councillor Gulfam Asif (Chair)
Councillor James Homewood
Councillor Hilary Richards
Councillor John Taylor
Councillor Carole Pattison

Apologies: Councillor Mussarat Pervaiz

In attendance: Councillor Shabir Pandor
Paul Kemp, Service Director - Economy, Regeneration
and Culture
Michelle Nuttall, Head of Transformation
Joe Tingle

Co-optees Philip Chaloner
Linda Summers

Observers: Councillor Julie Stewart-Turner

1 Interests

Councillor John Taylor declared an other interest in Agenda Item 3 Asset Transfer Policy as he was involved in his role as a Kirkburton Parish Councillor in the asset transfer of Kirkburton Library.

Councillor John Taylor also declared an other interest in Item 3 as a Director of Shepley Hub Community Interest Company which is involved in discussions on Shepley Library.

Philip Chaloner, Co-Optee, declared an other interest in Agenda Item 3 as his wife was involved in the company which may take over Shepley Library.

2 Admission of the Public

All items were considered in the public session.

3 Asset Transfer Policy

The Scrutiny Panel received information on the Community Assets Transfer Policy with Paul Kemp, Service Director for Economy, Regeneration and Culture and Joe Tingle, Strategic Lead Assets and Capital attending for the item.

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The report outlined that asset transfer is not a statutory requirement of the Council but if a council processes asset transfer requests then it must comply with the European Commission's State Aid Rules. A community asset transfer is defined in the policy as the transference of ownership or management of a Council owned building or land to a community organisation by means of either a long term lease of the whole transfer, at less than best consideration, to further local social, economic and environmental objectives.

Transferring assets can unlock community enterprise, encourage volunteer commitment and help utilise local intelligence, allowing organisations to attract capital investment that is not available to the public sector. Asset transfer also has the potential to benefit people and communities within Kirklees by creating the opportunity for strong vibrant communities and enhancing social value.

The report continued to outline the current position explaining that within the Council's policy, community organisations are required to have the capacity to manage the community space and provide social value as well as contributing to the Council's priorities. Town and parish council's and schools could also apply and the sustainability of community organisations would be assessed as part of the application and business case process.

It was noted that single interest groups with restricted membership would not be considered but the Council would offer support to all groups. Expressions of interest from social enterprise with share capital, commercial or privately owned organisations would not be accepted.

The report continued to outline that 14 transfers had been completed to date with a further 7 having been approved by Cabinet and progressing to legal completion. There were 6 transfers at detailed business case stage and a further 12 initial expressions of interest had been submitted. It was noted that each transfer is unique and the complexity of the transfer and capacity of the group to drive through to completion also varied. On average a transfer took between 10 and 12 months and was supported by available officers with the Estates Team, Community Sport and Locality who provide professional advice to community organisations.

In 2017 the policy introduced £5000 of support to pay for feasibility works, develop detailed business cases and legal or professional fees for groups at various stages of transfer. If community organisations plan to apply for external capital funding they can apply for a match funding loan of up to £100,000 from the Council to support external funding, such as a Heritage Lottery Grant.

Governance arrangements meant that the ultimate decision making on each transfer lay with Cabinet. Regular updates were provided to portfolio holders and the Asset Liaison Group met bi-monthly to review the progress of the asset transfer tracker. In conclusion Mr Kemp advised that officers would work with community groups but ultimately only those applications where officers were confident of sustainability would be put forward for consideration by Cabinet.

The Scrutiny Panel asked questions concerning the lack of hosting fee should a library or children's centre continue to operate within a building that had been

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subject to a community transfer. There was also a discussion regarding commercial operations within transferred buildings which supported the sustainability of the transfer. Mr Kemp indicated that the bench mark for commercial use of transferred spaces was 30% and officers would periodically monitor to check that this was not being exceeded. The issue regarding hosting libraries or children's centres would be explored as part of the evaluation of sustainability.

The Panel discussed when subsidies were provided and reference was made to smaller community libraries. Mr Kemp explained that the policy regarding smaller community libraries linked to the libraries review. A further consultation on the libraries review would start in the new year.

The Panel welcomed that there was rigour around which applications proceeded to decision. An example was given from a particular ward where a transfer was not successful. Councillors welcomed that lessons had been learned. Mr Kemp advised that if a group was unable to comply with the lease arrangements then the building would default back to Council ownership.

It was suggested that there was insufficient discussion with local Councillors who had experience of community groups within the ward and could provide a helpful input to discussions. Ward Councillors would also contribute views concerning assets within their wards. An example was given of a particular single interest group where a ward member might have been able to support the group to make linkages with other groups in order to bring forward a viable proposition, but the ward member did not have that opportunity. Councillor Homewood suggested that it would be better for the Council that a building was in usage by a single interest group than falling into dereliction. In response Mr Kemp indicated that there were a number of considerations when looking at buildings across the district. Some buildings were suitable for transfer, some buildings were surplus to requirements and could be put to the open market. Mr Kemp acknowledged that previous meetings with ward members had provided a lot of useful information and officers would be undertaking a further set of discussions with ward members to look at the current position of assets within each of the wards.

Councillor Asif raised an issue regarding the timescales for processing applications and whether a rough guide could be produced to help community groups. Mr Kemp indicated that where there were likely to be a number of groups interested in a particular building then the Council had to be more rigorous with timelines in order to be fair to all parties. Where a building was of interest to one single group who required support to get to the point where they could produce a sustainable proposition, then officers felt that flexibility was needed around timescales to hopefully ensure a successful outcome. Philip Chaloner, Co-optee, asked how risks were monitored within the asset disposal programme. Joe Tingle explained the asset tracker which set out the capital, revenue expenditure and maintenance liabilities together with progress against legal completion, expressions of interest etc.

In closing the discussion, Councillor Asif thanked officers for their attendance and commended the work of the team in progressing asset transfers.

RESOLVED –

1. That the update on the Asset Transfer Policy be noted and officers thanked for the progress made in asset transfer to date.

4 Transformation Programme

The Committee received a presentation from Michelle Nuttall, Head of Transformation on the following:

- The scope of the transformation portfolio in 2017/18
- How progress is being monitored, including
 - Financial monitoring
 - Tracking key milestones
 - Capturing non-cashable benefits
 - Self assessment
- Some of the lessons learned that could be applied elsewhere

Councillor Shabir Pandor, Portfolio Holder with responsibility for transformation introduced the discussion and highlighted the significant impact on the Council at the current time that required a complex programme of transformation activity. All projects were intended to deliver cashable savings and improve outcomes. Michelle Nuttall continued to outline the work streams of the programme including adult social care, community plus, children's improvement and corporate enablers. The community plus programme included the implementation of Early Help Hubs and the development and implementation of the Community Plus offer. It was noted that a new manager had been appointed to lead the commissioning strand which would include town centre growth and vitality and local placements for looked after children.

Michelle Nuttall continued to explain the governance mechanisms for the transformation programme which included a Redesign Board chaired by a Strategic Director: a Transformation Portfolio Board which reported to Cabinet and the Leadership Management Team. Standard updates include the monitoring of risks and issues on a monthly basis as well as financial and milestone monitoring.

Through tracking savings it was anticipated that by year end of the total anticipated savings of £54 million, the programme would achieve 95% of those savings. It was noted that variances were largely due to unanticipated spend in certain areas of adult social care and child social care as well as the implementation of the new approach to early intervention and prevention.

The presentation continued to explain to the Scrutiny Panel how savings were monitored at project level and captured the difference that was being made, i.e. non-cashable changes. An example was given of the outcomes of a survey of early adopters of mobile and agile technology to see if anticipated benefits were being achieved.

The Scrutiny Panel continued to look at a tracking document which summarised the achievement of milestones from July to August 2017. It provided an at a glance summary of where projects were not on track and explained reasons for delay.

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Ms. Nuttall highlighted some of the learning points from the process to date. Firstly that the centralising of staff who supported change and transformation across the organisation into a single team had made a real difference to the transformation programme. It provided greater visibility across all activity and a standardising of reporting and ways of working. It had also seen increased collaboration across related projects and a reduction of duplication. Significant effort had been put in to project management with strong plans and a good understanding of how projects link to the medium term financial plan savings targets. The emphasis was on developing a culture of high challenge, high support which supports more objective, informed discussion and decision making. Finally the work undertaken by Deloitte's, the Councils transformation business partner, had made a significant difference to the progress seen in 2017/18. The external support and expertise had complemented the work of internal teams.

In considering the presentation, the Panel asked how lessons would be learned in such a way that mistakes were avoided in future years. The Panel welcomed the level of programme planning but it was suggested that performance targets were not precise enough. There also needed to be more detail for Councillors to understand the reasons why we weren't achieving specific targets as planned.

The Committee noted at the previous meeting it had requested information concerning the corporate enablers strand in particular details of targets, including Citizens Account and expectations of sign up. The Governance Officer undertook to chase up this information.

In response to the questions asked Ms Nuttall indicated that variance in savings was not always directly connected to a transformation project. The Panel suggested that the Transformation Programme was not required to deliver the entire budget savings therefore it was important that overspend generated in areas outside the Transformation Programme scope did not skew the achievements of the programme. Michelle Nuttall indicated that more detail went to the Redesign Board and it wasn't possible to include everything in a presentation. It was however recognised that there needed to be a separation regarding savings achieved through the programme and overspend as part of other budget lines. It was also agreed that there was further work required on targets in some areas of the programme.

The Panel wanted to understand the expected milestones throughout a project, for example the My Kirklees account. The example of 30, 60, 90 day targets was given which would enable Councillors to understand what the next achievement would be and also to understand the anticipated and deliverable outcomes of the project. There followed a discussion on the political governance of the project and Councillor Pandor explained that he was the Lead Cabinet Member who maintained an overview of the project and there was also reporting to the Leadership Management Team and Cabinet.

The Panel asked that the transformation portfolio plan tracking be re-circulated with details of the overspends and further clarity of reasons for exceptions.

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The Scrutiny Panel continued to discuss the clarity of risks and how specific the understanding was about the risks associated with non-delivery of projects within timescales. It was evident that there was a continuing risk of unanticipated demand which had resulted in overspend. It was important that this risk was factored into future forecasting and risk management. The Panel considered it important that the transformation programme leads were made aware at the earliest opportunity of potential variances.

It was suggested that the Scrutiny Panel could track a particular work scheme to see how it developed, the organisational development work stream was suggested. There followed a discussion on the Commercialisation work stream which included a project on reducing support to schools organisation planning and school admissions. It was suggested that the Panel could be briefed on what that involved.

It was further suggested that some areas of the programme were things that the Council should be doing anyway, for example having IT solutions and pushing forward in digitalisation. It was important to be ambitious for the tax payer and to deliver the best services for users. Councillor Pandor acknowledged that the programme was underpinned by new ways of working, for example having a mobile and agile workforce through the use of IT.

The Scrutiny Panel thanked Councillor Shabir Pandor and Michelle Nuttall for attending and setting out information on the transformation programme. It was agreed that Michelle Nuttall would provide information on some of the issues raised during the discussion and would come back to a meeting of the Panel in January 2018 with a further update and more in depth focus on particular areas.

RESOLVED –

1. That Councillor Shabir Pandor and Michelle Nuttall be thanked for their presentation.
2. That the overview of the current position of the Transformation Programme be welcomed and noted.
3. That Officers provide email updates in respect of details of targets for Citizen Accounts; the financial information behind the milestone tracker; the commercialisation work stream.
4. That the programme should show a clear separation between budget overspend and attainment of savings generated as part of transformation activity.
5. That there should be a mechanism in place to ensure that demand risks are identified and there is clarity of the implications of those risks and how they might be mitigated.
6. That a further update on the Transformation Programme be presented to the Scrutiny Panel in January 2018. Included in that discussion will be an overview of the organisational development workstream and consideration of the risk log.

5 Work Programme

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The Committee considered its work programme and agenda plan for 2017/18 municipal year.

In discussing a potential item on access to services it was suggested that this might be combined with the library review which was due to be considered shortly by Cabinet. The Panel noted that procurement had rolled forward and would now be considered at the December meeting. The Panel also agreed to the existing items on the agenda plan for the December meeting.

RESOLVED -

1. That a further update on the Transformation Programme be considered on 12 January 2018.
2. That an item on access to services be timetabled and if possible, linked to the Library Review and Huddersfield Library & Art Gallery proposals.

6 Date of Next Meeting

The Panel noted the next meeting would be held on 13 December 2017 at 1.00pm. There would be no pre-meetings before Panel meetings.