

NORTHAMPTON BOROUGH COUNCIL
Overview and Scrutiny Committee

Your attendance is requested at a meeting to be held in the Jeffrey Room,
The Guildhall, St. Giles Square, Northampton, NN1 1DE on
Wednesday 4 January 2017 commencing at **6:30pm**

D Kennedy
Chief Executive

If you need any advice or information regarding this agenda please phone Tracy Tiff, Scrutiny Officer, telephone 01604 837408 (direct dial), email ttiff@northampton.gov.uk who will be able to assist with your enquiry. For further information regarding **Overview & Scrutiny Committee** please visit the website www.northampton.gov.uk/scrutiny

Members of the Committee

Chair	Councillor Jamie Lane
Deputy-Chair	Councillor Graham Walker
Committee Members	Councillor Brian W Sargeant Councillor Tony Ansell Councillor Rufia Ashraf Councillor Mohammed Azizur Rahman (Aziz) Councillor John Caswell Councillor Vicky Culbard Councillor Janice Duffy Councillor Terrie Eales Councillor Elizabeth Gowen Councillor Dennis Meredith Councillor Nilesh Parekh Councillor Samuel Shaw Councillor Zoe Smith

Calendar of meetings

Date	Room
2 February 2017 6:00 pm 27 March 8 May 26 June	All meetings to be held in the Jeffery Room at the Guildhall unless otherwise stated

Northampton Borough Overview & Scrutiny Committee

Agenda

Item No and Time	Title	Pages	Action required
1 6L30pm	Apologies		Members to note any apologies and substitution
2	Minutes	1 - 14	Members to approve the minutes of the meeting held on 28 November 2016 and the Call In Hearing held on 29 November 2016.
3	Deputations/Public Addresses		<p>The Chair to note public address requests.</p> <p>The public can speak on any agenda item for a maximum of three minutes per speaker per item. You are not required to register your intention to speak in advance but should arrive at the meeting a few minutes early, complete a Public Address Protocol and notify the Scrutiny Officer of your intention to speak.</p>
4	Declarations of Interest (Including Whipping)		Members to state any interests.
5 6:35pm	Re-Provision of the Environmental Services Contract Working Group		The Committee to confirm the Membership of the Re-Provision of the Environmental Services Contract Working Group and approve the scope of the Working Group.
6	Urgent Items		This issue is for business that by reasons of the special circumstances to be specified, the Chair is of the opinion is of sufficient urgency to consider. Members or Officers that wish to raise urgent items are to inform the Chair in advance.

NORTHAMPTON BOROUGH COUNCIL

MINUTES OF OVERVIEW & SCRUTINY COMMITTEE

Monday, 28 November 2016

COUNCILLORS PRESENT: Councillor Jamie Lane (Chair); Councillor Graham Walker (Deputy Chair); Councillors Tony Ansell, Rufia Ashraf, Mohammed Aziz, Vicky Culbard, Janice Duffy, Elizabeth Gowen, Mary Markham, Dennis Meredith, Sam Shaw and Zoe Smith

Councillor Jonathan Nunn, Leader of the Council
David Kennedy, Chief Executive, NBC
Councillor Mike Hallam, Cabinet Member for Environment
Julie Seddon, Director for Customers and Communities
Tracy Tiff, Scrutiny Officer

Observing Councillor Phil Larratt, Deputy Leader of the Council

Members of the Public Colin Bricher

1. APOLOGIES

Apologies for absence were received from Councillor John Caswell, Councillor Brian Sargeant and Councillor Terrie Eales.

2. MINUTES

The minutes of the meeting held on 26 September 2016 were signed by the Chair as a true and accurate record.

3. DEPUTATIONS/PUBLIC ADDRESSES

Mr Colin Bricher addressed the Overview and Scrutiny Committee on agenda item 5 – Unitary Status.

4. DECLARATIONS OF INTEREST (INCLUDING WHIPPING)

There were none.

5. UNITARY STATUS

Mr Colin Bricher addressed the Overview and Scrutiny Committee. He advised he has advocated unitary authorities for many years. He commented that he had addressed other meetings regarding the Unitary options for the county; commenting further on the option

being investigated by Northamptonshire County Council. He said that in his opinion no decision can be made in isolation and that other Local Authorities need to be dealt with. Mr Bricher went on to comment that any Northampton based authority would need to extend far enough north and south to avoid the current scenario whereby the borough is effectively surrounded. He added that Northampton was originally a county borough and it is important that whatever is done that our town remains strategically important. He referred to the idea of ridings and in his opinion its potential advantages. Mr Bricher closed his address by advising he did not support the notion of North Londonshire.

Mr Bricher was thanked for his address.

Councillor Jonathan Nunn, Leader of the Council, and David Kennedy, Chief Executive, provided the Overview and Scrutiny Committee with an update on Unitary Status.

The Committee heard:

- The Leader and Deputy Leader, NBC, had attended a recent meeting at Northamptonshire County Council (NCC) and had heard from Baroness Scott who had taken Wiltshire County Council to Unitary Status. This was the preferred option of NCC. NCC has undertaken some work regarding a Countywide Unitary model.
- The Boroughs and Districts within Northamptonshire have varying views regarding Unitary; however, the majority do support Unitary. There is a need for a collective agreement on the proposed model for Unitary Status.

AGREED: That the Leader of the Council and Chief Executive are asked to provide a further update to a future meeting of the Committee.

6. CEMETERIES

Councillor Mike Hallam, Cabinet Member for Environment, and Julie Seddon, Director for Customers and Communities, addressed the Committee. Councillor Mike Hallam referred the Committee to an excellent report that had been produced on allotments. Short, medium and long term objectives had been produced. Councillor Hallam suggested that a similar approach for cemeteries would be the best way forward. He added that he had already met with various Residents' Associations in respect of cemeteries.

The Committee made comment, asked questions and heard:

- Councillors were pleased that work was moving forward on cemeteries
- Damage that had been caused in the cemeteries was referred to
- There is a need for toilet facilities in certain cemeteries, however, it was realised that this could be a long term aspiration. It was noted that Towcester Road cemetery does have the provision of a toilet but the facility needs cleaning so that it is a usable facility.
- It was noted that there is outstanding work around the war graves.
- Damage and anti-social behaviour at the Gate House, Billing Cemetery was commented upon.

- It was suggested that it would be useful for a Scrutiny Panel or Working Group to be set up to scope, and carry out a review on cemeteries

AGREED: (1) That the Cabinet Member for Environment is asked to provide an update on cemeteries at the next meeting of the Committee
 (2) That the issue of cemeteries is referred to the Overview and Scrutiny Work Programming event in April 2017.

7. SUSTAINABLE PLAY EQUIPMENT.

Councillor Mike Hallam, Cabinet Member for Environment, and Julie Seddon, Director for Customers and Communities advised the Committee on work that has been undertaken regarding sustainable play equipment. Councillor Hallam added that it has been realised that there is a need to include maintenance of play equipment in the Environmental Services Contract; however there is a need for maintenance to take place prior to the new contract. A budget of £15,000 per year has been identified for maintenance and replacement of play equipment. An Audit of play equipment has been undertaken. Equipment has been ordered for a number of parks.

The Committee asked questions, made comment and heard:

- In response to a query regarding vandalised play equipment at Eastfield, Councillor Hallam advised that the budget is available to replace it.
- The Committee heard if a problem with specific park equipment was identified, Officers would liaise with the relevant Park Groups and Park Management Committees.

AGREED: That the information is noted.

8. PERFORMANCE MONITORING SCRUTINY:

Councillor Brandon Eldred, Cabinet Member for Finance and Ian Tyrer, Revenues Manger, LGSS, provided a briefing note regarding performance information regarding Council Tax arrears. The salient points were highlighted.

The Committee made comment, asked questions and heard:

- Council Tax arrears have gone up that demonstrates indebtedness. Longer term sustainable arrangements are in place. Customers are helped, looking at their debts to see which are priority debts. Customers also have the option to liaise with the Voluntary Sector.
- Officers aim to assess whether customers can't or won't pay the Council Tax arrears.
- Action is taken against customers regarding non-payment, for example, attachment of earnings, attachment of benefits, and the use of enforcement agencies.
- The maximum attachment of benefits is £3.70 per week. Officers aim to officer additional assistance before the option of attachment of benefits.
- No interest is charged on Council Tax arrears.

- A number of customers pay their Council Tax over a 12 month period; however, a large proportion still pay over ten months.
- In response to a query, the Committee heard that information regarding how Council Tax can be paid, such as over 10 or 12 months, is provided when the Council Tax bill for the year is issued.

AGREED: That the information is noted.

9. CABINET RESPONSE TO OVERVIEW AND SCRUTINY REPORT

The Overview and Scrutiny Committee noted the Cabinet's response to the O&S Report: Pre-decision Scrutiny: Museum Trust.

It was AGREED that a follow up report would be requested to be presented to the meeting of the Overview and Scrutiny Committee on 27 March 2017.

10. SCRUTINY PANELS

11. SCRUTINY PANEL 1

Councillor Dennis Meredith, Chair, Scrutiny Panel 1, advised the Committee of the evidence that had been gathered so far, including witnesses evidence and various site visits.

The progress report for Scrutiny Panel 1 was noted.

12. SCRUTINY PANEL 3

Councillor Zoe Smith, Chair, Scrutiny Panel 3, advised the Committee of the evidence that had been gathered so far and the planned site visits that would take place in December 2016.

The progress report for Scrutiny Panel 3 was noted.

13. SCRUTINY PANEL 4

The Overview and Scrutiny Committee approved the scope of the Review – Emissions Strategy (Action Plan.)

14. OVERVIEW AND SCRUTINY REPORTING AND MONITORING WORKING GROUP

The Overview and Scrutiny Committee approved the Terms of Reference for the Reporting and Monitoring Working Group 2016/2017.

15. REPORT BACK FROM NBC'S REPRESENTATIVE TO NCC'S HEALTH AND SOCIAL CARE SCRUTINY COMMITTEE

The report back from NBC's representative to NCC's Health and Social Care Scrutiny Committee was noted.

16. POTENTIAL FUTURE PRE DECISION SCRUTINY

The Committee suggested that the issue regarding sewers and sewage is referred to the Overview and Scrutiny Work Programming Event in April 2017.

17. URGENT ITEMS

There were none.

The meeting concluded at 7:46pm

NORTHAMPTON BOROUGH COUNCIL
OVERVIEW & SCRUTINY COMMITTEE

Tuesday, 29 November 2016

COUNCILLORS PRESENT: Councillor Jamie Lane (Chair); Councillor Graham Walker (Deputy Chair); Councillors Tony Ansell, Rufia Ashraf, Mohammed Azizur, Vicky Culbard, Janice Duffy, Elizabeth Gowen, Mary Markham, Dennis Meredith, Cathrine Russell (substituting for Councillor Terrie Eales), Brian Sargeant, Sam Shaw and Zoe Smith

CALL-IN AUTHORS: Councillor Danielle Stone
Councillor Anamul Haque

INTERNAL WITNESSES: Councillor Jonathan Nunn, Leader of the Council
Councillor Mike Hallam, Cabinet Member for Environment
Julie Seddon, Director of Customers and Communities
David Pietropaoli, Expert Advisor, Eunomia

COUNCILLORS Councillor Jane Birch
Councillor Clement Chunga
Councillor Muna Cali - Observing
Councillor Gareth Eales
Councillor Brian Markham
Councillor Arthur McCutcheon - Observing
Councillor Suresh Patel - Observing

PUBLIC: Mr Graham Croucher, St James' Residents Association

OFFICERS: Francis Fernandes – Borough Secretary and Monitoring Officer
Tracy Tiff – Scrutiny Officer
David Kennedy – Chief Executive, Observing
Gary Youens – Political Assistant, Observing

1. APOLOGIES

Apologies for absence were received from Councillor Terrie Eales, Councillor Cathrine Russell substituted and Councillor John Caswell.

2. DEPUTATIONS/PUBLIC ADDRESSES

Councillors Jane Birch, Clement Chunga, Gareth Eales, Brian Markham and Mr Colin Croucher, St James' Residents' Association addressed the Call In Hearing.

3. DECLARATIONS OF INTEREST (INCLUDING WHIPPING)

There were none.

4. CALL-IN OF CABINET DECISION OF 16 NOVEMBER 2016: ITEM 11: RE-PROVISION OF THE ENVIRONMENTAL SERVICES CONTRACT

Upon the advice of the Borough Solicitor and Monitoring Officer, this Call-In request had been through the appropriate channels and it was confirmed that procedure had been followed. The Call-In Authors, Councillors Danielle Stone and Anamul Haque, would be invited to expand upon their reasons for concern, following which the Overview and Scrutiny Committee would question the Call-In Authors.

Councillor Jonathan, Leader of the Council, Councillor Mike Hallam, Cabinet member for Environment, would be invited to give evidence and respond to the Overview and Scrutiny Committee's questions. The Cabinet Members would be asked to give their reasons for their recommendations or advice. A questions and answer session would follow.

The Call-In Authors would then be given the opportunity to add any points of clarification before any resolution or recommendation be moved.

The Chair would then sum up the findings regarding the Cabinet decision. If there were still concerns, the Chair would lead in determination of the recommendation with reasons for consideration by Cabinet. At the conclusion of the debate and following responses to all matters raised, the Chair will ask the Committee to vote to determine whether or not it would uphold the decision of Cabinet.

The Chair invited ward Councillors and the member of the public to address the Call-In Hearing:

Mr Graham Croucher, St James Residents' Association, addressed the Call-In Hearing:

Comments made included:

- Resident Associations, such as St James Residents' Association, did not appear to have been involved in the consultation process
- There is a need for full consultation with organisations and stakeholders
- It seemed that the decision had already been taken
- None of the three options are significantly better
- Scrutiny involvement is needed in this process

The Committee asked questions of Mr Croucher, made comment and heard:

- In response to a query regarding the type of consultation that residents would like, Mr Croucher suggested that in his opinion there had been no consultation to date, a wider consultation with the general public and various groups is required. He suggested co-option to Overview and Scrutiny.
- Mr Croucher referred to unemptied bins and littering around the town.

The Committee heard from Councillor Brian Markham. Key points:

- There is a need for Overview and Scrutiny involvement in this process
- There is a need to ensure that we get services, such as waste management, maintenance of parks, street cleaning etc. right
- All three of the options are finely balanced; none significantly better than any of the others
- The Council should consider different options for waste and grounds maintenance

The Committee heard from Councillor Gareth Eales. Key points:

- The importance of Scrutiny consideration of the Call-In was highlighted
- There had been a lack of consultation; it is important to gather the views of the public
- The decision was made, then there was consultation
- It is important that the decision about the contract is right
- It is not right to base the success criteria provided by the current Service Provider

The Committee asked questions of Councillor Eales and heard:

- In response to a query regarding Overview and Scrutiny input into this issues, Councillor Eales commented that he was of the view that it would be considered by Scrutiny
- In answer to a query regarding the monitoring regime, Councillor Eales felt that this was something that would be considered at a later stage

The Committee heard from Councillor Clement Chunga. Key points:

- Concerns were raised about how the decision was taken
- Limited consultation has taken place thereby causing missed opportunity for achieving Value for money (VFM) which is one of key concepts of accountability the other than lowest price and judgement (Reference from the Council's Procurement Guidance)
- There are more than three options available and unfortunately only three were considered
- The Environmental Services contract is key to the Council being placed into in a top quartile of all Councils and therefore every opportunity should be evaluated

properly and informed decision taken. In this way, management can have confidence in answering any subsequent questions on the entire decision making process and provide full justification for the decision taken. The bedrock or Policy for this Council is to use best VFM which is the optimum combination of whole life cost and quality to meet the customer's requirement

The Committee asked questions of Councillor Chunga and heard:

- In response to a question regarding what other options should have been considered, Councillor Chunga commented that statistics indicate there is a problem with the current contract and other alternatives such as partnering should be considered.

The Committee heard from Councillor Jane Birch. Key points:

- Concerns were raised regarding the way that the statistics had been presented and interpreted for the next stage of the process
- Concerns were raised that the financial modelling had been built upon the current service
- Concerns were raised regarding the statistics provided by the consultation
- A number of Local Authorities have brought their Environmental Services contract back in-house, including Bristol, Middlesborough, Hounslow and Newcastle under Lyme. Liverpool has not renewed its contract with Enterprise
- A private company, such as Enterprise, is bound by its duty to shareholders to make a profit

Councillor Danielle Stone, Call-In Author, and Councillor Anamul Haque addressed the Committee and expanded upon their reasons for Call-In: -

Key points:-

- Details of an assessment of the three models was not contained within the report that went to Cabinet
- The report does not refer to an assessment of the need for flexibility within the contract, and did not make reference to social, economic, growth, expansion and the changes in technology landscape
- The Service Scope is not clear
- There is a need to know the expected outcomes around:
 - Excellent service
 - Value for money
 - Good employment conditions
 - Living Foundation Living Wage
 - Minimised risk
- A fourth option should have been included in the report – A Shared Service Model

- There was no in-house bid team
- The decision appeared to have been made in haste and creates a risk
- The decision should not have been made without the cost of transformation for each model
- There is not enough information available for a sound judgement to be made
- There is a need for community involvement, including tenants. There is a need for a thorough public consultation
- The options appraisal needs full Scrutiny
- Pre-decision Scrutiny should have taken place
- This is one of the biggest decisions to be taken by this Council and it needs to be right
- The Council needs to be in control of its services
- The report of PWC, the Council's internal Auditors, makes reference to problems with the report regarding the re-provision of the Environmental Services contract: -
 - The modelling and lack of challenge to the modelling
 - Assessments based on the present contract
 - Flexibility and transformation not part of the assessments.

The Committee asked questions the Call-In Authors:

- In answer to a question whether a more collaborative approach would have been better, Councillor Stone suggested there should have been a grass roots consultation. Council tenants are key stakeholders and should have a big voice.
- It is a high risk project and there needs to be more Scrutiny involvement.

Councillor Jonathan Nunn, Leader of the Council, provided evidence, key points:

- A Cross Party Cabinet Advisory Group had been set up and was consulted upon at the various stages of the process. The Cabinet Advisory Group will continue throughout the process.
- All Councillor were given the opportunity to obtain a copy of the full report; no Councillors requested a copy
- An enormous amount of work has taken place on the process to date. The approach taken must be thorough. Expert advisors in this field of work were engaged to undertake the project.
- Contracting out is the best option based on professional expert advice.
- There is a need to ensure best value for the Tax Payers.
- A report will be presented to Cabinet on a quarterly basis.
- Consultation has taken place to date. Further full consultation will take place at the next stage of the process.

The Committee asked questions of the Leader of the Council:

- In response to a comment that the public has concerns regarding the current contract and that it needs Scrutiny involvement; the Leader of the Council advised that now is the time to consider the re-provision of the contract. It is at the start of the process and has taken a number of months to get to this stage. Expert advisors have provided advice that this is the best option.
- Full consultation will take place at the next stage of the process. Residents' views will be gathered at this stage of the consultation.
- In answer to a question regarding providing a gold service contract, the Leader of the Council advised that the contract is about value, cost and it is prime that a good service is provided to residents. The service must be right. It is crucial that standards are high. It is vital that standards and cleanliness of the town is a top priority.
- In response to a further question regarding quality, the Leader of the Council confirmed that quality is vital. The terms of the contract must be right. Quality is a key aspect and has been assessed fully.
- In response to a question regarding the consideration of an arms' length organisation or a Trust running the contract, the Leader of the Council advised that this option had received full assessment

Councillor Mike Hallam, Cabinet Member for Environment, addressed the Committee via Skype, key points:

- This process started approximately 12 months ago.
- The cross party Cabinet Advisory Group was set up at the request of the then Leader of the Council.
- Multi-level consultation will take place at the next stage of the process.
- Ipsos MORI undertook interviews with of a sample of 1,000 residents across the borough of Northampton.
- The external expert advisors provided excellent advice and support.

The Committee asked questions of the Cabinet Member for Environment:

- In response to a query regarding consultation, Councillor Hallam advised that full consultation would take place at the next stage of the process.
- In reply to a question about the Ipsos MORI survey, Councillor Hallam reported that the survey is about opinion, not predicting outcomes

The meeting adjourned at 19:34 hours and reconvened at 19:39 hours

The Committee continued to question the Leader of the Council and the Cabinet Member for Environment:

- In response to a query regarding the next stage consultation, the Leader of the Council advised that this will be a full consultation, the details of which have yet to be confirmed.

- The Committee commented that it appeared the process had been done “backwards” and that residents should have been consulted in the first instance.
- In response to a query regarding the Cabinet Advisory Group, the Committee heard that a letter was sent to all Parish Councils and Residents Groups, including the Federation of Residents’ Associations asking them to nominate a representative to sit on the Group. The Cabinet Advisory Group selected the Expert Advisor and put together the Ipsos MORI questionnaire

David Pietropaoli, Expert Advisor, Eunomia, addressed the Call-In Hearing, via telephone:

- The Cabinet report had been made available to all Councillors
- The full report had not been published as it contained commercially sensitive information.
- The Cabinet Advisory Group had supported the process taken
- Officers introduced a robust governance and control framework to support the delivery of the Environmental Services Re-provision Project. The Council’s internal auditors, PwC, undertook a review of the project’s governance arrangements and concluded that these were robust for the relevant stage of the project.
- The Council’s current service provider had provided performance data
- The full report contains details regarding the profit margin
- Assumptions had been made for the three options regarding pension costs. Officers from HR, Financial Services and Pensions had been fully engaged in the process and had validated and refined the assumptions around pension costs, in particular contribution rates, pension fund deficit payments etc., as it was recognised that the pension costs drive a considerable proportion of the cost difference between the commissioning options. .
- Performance standards had been modelled and benchmarking took place – this process will carry forward to stage two of the process
- The living wage had not been considered as part of the Scope. However, it will be factored into each commissioning option.
- Internal support means officer time and LGSS support functions
- External support means the support that the Council may need to procure to enable successful delivery of the project and in particular during the OJEU procurement process for the provision of: technical and procurement support, legal support, HR and pension support, finance support. Officers will develop the Business Case for the next stage of the project, subject to the approval of the recommendation in the Cabinet report to implement the Contracting out commissioning option. The Business Case will also determine, through the people resource plan, where the Council will need access to specialist external skills.
- An estimated budget of £120,000 may be required to deliver high level consultation and communication with stakeholders.
- Eunomia assessed the three commissioning options against the following two criteria:
 - quality and risk
 - cost
- The Cabinet Advisory Group met in June 2016 and considered quality and risk, identifying the key areas of risk. Quality will be looked at as the process goes forward.

- The assessment of the risks followed a robust approach and various stages of refinement.
- Eunomia undertook the cost modelling by creating a bottom-up financial model to reflect the current commission as accurately as possible and a financial model for each commissioning option. Eunomia worked closely with the current contractor to make an assessment regarding profit margins etc. to compare each of the three options.

The Committee put questions to the Expert Advisor:

- In response to a query regarding the importance of cost rather than flexibility, the Expert Advisor reported that the weighting of cost and quality was discussed by the Cabinet Advisory Group; the three commissioning options were based on quality and cost. Various tests were undertaken. Weighting was 60% quality and 40% costs.
- It was confirmed that the report explains the meaning of quality

The Chair invited the Call-In Authors to add points of clarification.

Councillor Danielle Stone advised:

- The process was flawed and is the most important decision that this Council will take. A too short a timescale has been set. The decision has been made in haste. PWC, the Council's internal Auditors are critical of the report. There has been no proper consideration of a fourth option. Councillor Stone urged the Committee to uphold the Call-In.

Councillor Haque concurred with Councillor Stone's points.

There were no further questions of the Call-In Authors.

Findings and Conclusions

During the deliberation session, the Overview and Committee concluded that there was a need for wider consultation, the recommendations were ill-informed, based on assumptions regarding costs, before quality; the areas of methodology used were flawed; and the contracting out option had been based on a failing contract. The Committee further concluded that there was a need for Overview and Scrutiny involvement at the relevant stages of the process.

The Chair advised of the information received and asked the Committee to consider whether the Call-In would be upheld or not.

Upon a majority vote it was resolved that:

- (1) That after all the evidence had been heard that the Call-In be accepted on the grounds that:

- (i) there is the need for wider consultation;
 - (ii) the recommendations were ill-informed, based on assumptions regarding costs, before quality;
 - (iii) the areas of methodology used were flawed;
 - (iv) the contracting out option had been based on a failing contract.
- (2) That there is Overview and Scrutiny involvement in the relevant stages of the process.

The meeting concluded at 20:52 hours