



Date: Wednesday, 16 May 2018

Time: 2.00 pm

Venue: Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

Contact: Julie Fildes, Committee Officer
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PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE

TO FOLLOW REPORT (S)

- 3 Minutes of the meetings held on 28th March and 11th April 2018 (Pages 1 - 10)**
To consider the Minutes of the Performance Management Scrutiny Committee meetings held on 28th March 2018 and 11th April 2018.
- 7 Assets and Estates (Pages 11 - 18)**
To consider a report on the Council's Assets and Estates from the Head of Business Enterprise and Commercial Services.

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SHROPSHIRE COUNCIL

PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE

Minutes of the meeting held on 28 March 2018

2.00 - 4.45 pm in the Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury,
Shropshire, SY2 6ND

Responsible Officer: Tim Ward

Email: julie.fildes@shropshire.gov.uk Tel: 01743 257723

Present

Councillor Claire Wild (Chair)

Councillors Gwilym Butler (Vice-Chair), Karen Calder, Roger Evans, Hannah Fraser, Alan Mosley, Peggy Mullock, Leslie Winwood and Ed Potter (Substitute) (substitute for Cecilia Motley)

62 Apologies for Absence and Substitutions

Apologies from absence were received from Councillors Cecilia Motley and Dave Tremellen.

Councillor Ed Potter substituted for Councillor Cecilia Motley

63 Disclosable Pecuniary Interests

There were no declarations of pecuniary interest.

64 Minutes of the meeting held on 31st January 2018

The minutes of the meeting held on 31 January 2018 had been circulated.

Councillor Winwood pointed out that he had given his apologies for absence but that they had been omitted from the minutes.

RESOLVED:

That subject to the above the minutes of the meeting of the Performance Management Scrutiny Committee held on 31 January 2018 be approved as a true record and signed by the Chairman.

A Member asked whether there were any exempt minutes as part of the meeting had been held in private session. The meeting was advised that it had been agreed that the minute relating to the private session could be included in the public minutes and so no exempt minutes would be published.

65 Public Question Time

There were no questions from members of the public.

66 Member Question Time

There were no questions from Members.

67 Call In: Local Commissioning of Youth Activities

The meeting was advised that the Liberal Democrat Group had called in the decision taken by Cabinet on 28th February with regard to Local Commissioning of Youth Activities.

The Locality Commissioning Manager advised the meeting that the current budget for youth activities was £234,950 and that there were no proposed reduction in the budget contained in the 2018/19 Financial Strategy and that therefore the proposed increase in spending could be met within the proposed budget. Members were informed that funding for the majority of LJC areas would reduce slightly and that funding for the Ludlow area had increased, and that there were 2 areas, Oswestry and Shrewsbury that would see significant reductions in funding and that in Oswestry the Town Council had agreed to meet the shortfall in funding. The Locality Commissioning Manager reminded the meeting that transitional support was available to mitigate the impact of budget reductions.

A Member commented that Shrewsbury Town Council had only been notified of the cut in the youth funding budget after it had set its budget.

The Portfolio Holder for Children and Young People reminded Members that there was the opportunity for transitional funding to mitigate the effect of the cuts and that the Town Council needed a dialogue with Officers to see what was available.

Several Members commented that there was money identified in the Financial Strategy that was not being utilised and asked that some of this be used to reverse the cut in the funding for Shrewsbury.

Several Members commented that Shrewsbury Town Council should meet with officers to explore the opportunity for any transitional funding that may be available.

After further discussion it was

RESOLVED:

That the decision of cabinet be upheld and that officers meet with representatives of Shrewsbury Town Council to discuss the availability of transitional funding.

68 Call In: Parking Strategy

The Director of Place and Enterprise advised the meeting that the Call in of the Parking Strategy had originally been considered by the Place Overview Committee but that it had been pointed out that all Call In requests should be dealt with by the Performance Management Scrutiny Committee which was the reason why the matter was before the Committee.

Members received a short presentation which explained the matrix methodology and the scoring methods which underpinned the proposals and highlighted the main proposals within the Strategy.

The Parking Enforcement Supervisor explained that the parking strategy attempted to address long standing issues of parking problems in Shropshire and attempted to change customer behaviour in order to ensure that the parking provided was being used as intended.

A Member expressed concern that the changes proposed in Ludlow would have an adverse effect on the local economy. The Parking Enforcement Supervisor stated that it was anticipated that the increase in charges would encourage people working in Ludlow to go to the cheaper long stay carparks leaving more room for visitors and shoppers in the short stay carparks. A Member commented that there were other ways of changing behaviour

A Member expressed concerns regarding the increase in charges for car parking in Wem especially as charges had only recently been introduced which had resulted in more on street parking

A Member expressed concern about the revision of the 'pop and shop' scheme where the time a vehicle was allowed to park without charge was to be reduced from 15 minutes to 5 minutes. The Parking Enforcement Supervisor explained that in practice the scheme was not changing as recent Government legislation had given drivers a period of 10 minutes grace after their parking time had expired and that this in effect was giving drivers the 15 minutes free parking allowed under the scheme plus an additional 10 minutes free parking allowed under the law. Reducing the 'pop and shop' scheme to 5 minutes still gave drivers the additional 10 minutes allowed under the law. He advised Members that additional signage would be provided to drivers to explain that they were still entitled to 15 minutes free parking.

A Member expressed concern regarding the increase in the cost of the Tradesman Waiver and commented that some trades, may find the increased charges prohibitive.

The Chair of the Place Overview Committee reminded Members that regular reviews of car parking would be carried out by the Committee

RESOLVED:

That the Car Parking Strategy be endorsed

69 Report from the Rapid Action Group on Refuges for Victims of Domestic Abuse

Members received the report of the Overview and Scrutiny Officer which presented the report of the Rapid Action Group on Refuges for Victims of Domestic Abuse.

The Chair reminded the meeting that the Rapid Action Group had arisen following a motion to Council and advised Members that the Group has focussed their work on

the funding available for refuges and support services for victims of domestic abuse, and the impact of changes to funding for all supported housing.

The Chair advised Members that the work done had contributed to the response that the Council had made to the consultation and that a response had been received from Government.

The Chair thanked all those who had contributed to the work of the Group

A Member queried whether CAMHS would have capacity for the additional work. The meeting was advised that a review of CAMHS was currently being undertaken.

RESOLVED:

That the report of the Rapid Action Group on Refuges for Victims of Domestic Abuse be noted and the following recommendations be agreed

- **That the Joint Health Overview and Scrutiny Committee explore opportunities for CAMHS to offer acute support to children who were staying in domestic abuse refuges.**
- **That Shropshire Council request that the Joint Health Overview and Scrutiny Committee explore opportunities for working more closely with Telford and Wrekin Council to deliver domestic abuse support services.**
- **That Shropshire Council respond to the government's consultation on housing costs for short-term supported accommodation, asking that the Government postpones these proposals until such time as there is more certainty about the proposed domestic abuse legislation.**

70 Digital Transformation Programme Update

The Head of Human Resources and Development gave an update on progress with the Digital Transformation Programme in which she advised members on progress of the various work streams.

The Head of Human Resources and Development stated that there was an issue around staff capacity and that a programme of recruitment was being undertaken.

The Chair thanked the Head of Human Resources and Development for her update.

71 Future Work Programme

The Chair advised the meeting that she had agreed to a request that a Rapid Action Task & Finish Group be established to look at the highways work recently carried out in Shrewsbury.

The Chair advised Members that an additional meeting would be held to receive the report of the CIL Task & Finish Group

72 Date/Time of next meeting of the Committee

Members were reminded that the next scheduled meeting of the Performance management Scrutiny Committee would be held on Wednesday 16 May 2018 at 2.00pm

Signed (Chairman)

Date:

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SHOPSHIRE COUNCIL

PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE

Minutes of the meeting held on 11 April 2018

2.00 - 3.20 pm in the Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate,
Shrewsbury, Shropshire, SY2 6ND

Responsible Officer: Julie Fildes

Email: julie.fildes@shropshire.gov.uk Tel: 01743 257723

Present

Councillor Claire Wild (Chair)

Councillors Karen Calder, Roger Evans, Hannah Fraser, Alan Mosley, Cecilia Motley,
Peggy Mullock, Dave Tremellen and Leslie Winwood

73 Apologies for Absence and Substitutions

Apologies for absence were received from Councillor Gwilym Butler and Councillor Ed Potter attended as substitute.

74 Disclosable Pecuniary Interests

None were disclosed.

75 Public Question Time

None were received from members of the public.

76 Member Question Time

None were received from members of the Council.

77 Report from the Section 106, Community Infrastructure Levy and New Homes Bonus Task and Finish Group

Members received the final report of the Section 106, Community Infrastructure and New Homes Bonus Task and Finish Group report.

A Member queried Recommendation B.2 which set out a 90/10 percentage split between Community Infrastructure Levy [CIL] 'Local' and CIL 'Strategic' funds. The Chair of the Task and Finish Group agreed that the group had discussed changing the split ratio but Officers had advised that this could not be recommended until further work had been undertaken and evidence to support the change had been received.

Referring to the Place Plan Map in appendix 1, a Member observed that the Place Plan area for Shrewsbury covered a substantial rural area. He expressed concern that there was a potential unfairness with funds raised in rural parts of the county contributing to development in urban Shrewsbury at the detriment of those rural localities. The Planning Policy and Strategy Manager observed that it was important

that funds generated were utilised effectively for the whole county and existing structures were in place to protect smaller communities that agreed to development and generated the funds.

The Chair suggested that these issues would continue to be discussed following the establishment of Member Panel to consider planning policies.

RESOLVED:

That the recommendations made by the Section 106, Community Infrastructure Levy and New Homes Bonus be endorsed, and the report presented for consideration by Cabinet.

78 Call In: Proposals for the Future of Education Improvement for Schools

Councillor Hannah Fraser presented the Liberal Democrat Group call in the Cabinet's decision of 21st March 2018 on the Proposals for the Future of Education Improvement Support for Schools. She read from a prepared statement [Copy attached to the signed minutes].

Councillor Fraser suggested that the £272,000 funding required to maintain the service should be found by reprioritising spending. She continued that the funds could be taken from the Digital Transformation Budget, the Shirehall refurbishment expenditure or the shopping centre development programme. She stated that parents had a right to expect a good education for their children and removing the Education Improvement Support for schools endangered the quality of education available for the County's children.

In response to a Members question regarding school performance, the Commissioner for Education Improvement and Efficiency explained that it was difficult to compare results in 2015 and before with outcomes from 2016 because the assessment frameworks and key performance indicators were revised for 2016. He confirmed that outcomes in Shropshire had improved from 2016 to 2017 and that over time they were in line with or above national averages. The Commissioner for Education Improvement and Efficiency also confirmed that the period 2013 – 2017 the proportion of good and outstanding schools in Shropshire had risen from 70 percent to 91 percent.

Members discussed the role the Schools' Forum. The Portfolio Holder for Children and Young People observed that it helpful and positive and benefited from a well established membership.

Replying to a Member's question regarding falling standards in schools, the Director of Children's Services replied that there had been improvement in Shropshire's schools with 106 schools receiving a good or excellent Ofsted rating. She continued that the Council had had to respond to changes in the funding regime to Local Authorities for schools and these proposals were about operating within the funding envelope allocated by Government.

Mr Les Ball, Headteacher of Norbury Primary School and acting Executive Headteacher of Chirbury and Stiperstones Schools was invited to address Members.

Mr Ball read out a prepared statement [copy attached to the signed minutes]. He described the decision to remove financial support for Education Improvement in schools as hasty and incorrect and urged Members to take a long-term view and prepare for a different version of education to that which existed currently. He explained that cuts already made to school funding had led to a situation where schools were barely able to meet the costs of essential services and training, and further cuts would result in the complete demise of effective school development. This would lead to further resignations of head teachers.

The Chairman noted the signs being held by protestors at the rear of the room, which stated that 110 schools faced cuts.

The Director of Children's Services stated that she believed this referred to the National Funding Formula for schools and commented that whilst changes to the National Funding formula for schools were welcomed in reality any increases in funding would not close the funding gap and the uplift of 0.5% would be eradicated by other increasing costs.

A Member congratulated the Commissioner for Education Improvement and Efficiency on providing a good level of education despite poor funding. He continued that schools subscribed to the Education Improvement Service because they valued it, he argued that removing Education Improvement Support for schools would jeopardise results, conversely improving teacher development lead to improved education in schools.

The Portfolio Holder for Children and Young People recognised the work done by Mr Ball and other head teachers who were making the best of a difficult situation. Councillor Fraser again asked that the Council reprioritise spending to maintain this funding which she saw as fundamental in maintaining schools and ensuring that communities were sustainable. She continued that Shropshire Council should engage with Central Government to ensure adequate funding was allocated for the needs of the County's schools.

It was proposed that the Cabinet Committee be asked to reconsider its decision reduce the Education Improvement Service because of the removal of the Education Services Grant. This vote was lost.

RESOLVED:

That the Performance Management Scrutiny Committee recommend:

- a. the Education Improvement Service be sustained solely through grant funding from central government and de-delegated funds from Shropshire maintained schools.**
- b. to maintain a traded Education Improvement Service, and professional training development programme through to April 2019, at which point the Council will cease to deliver this traded service to Shropshire schools.**
- c. that Cabinet be advised to request that Members of Parliament for Shropshire advocate grant uplifts to schools in the County.**

79 Date/Time of next meeting of the Committee

It was noted that the Performance Management Scrutiny Committee would next meet at 2.00pm on Wednesday 11th July 2018.

Signed (Chairman)

Date:



<u>Performance Management Scrutiny Committee report</u>
16 May 2018

<u>Item</u>
7
<u>Public</u>

Assets and Estates Update

Responsible Officer Tim Smith, Head of Business Enterprise & Commercial Services
e-mail: Tim.smith@shropshire.gov.uk Tel: (01743) 258676

1. Summary

- 1.1 This report outlines for Committee members the improvements and changes being made to the Assets and Estates service and the arrangements that are in place to prioritise and manage projects that will deliver the council's investment and income aspirations.

2. Recommendations

- 2.1 The Committee is asked to note:
- A.** The improvement plan being implemented to ensure that the council has the skills, experience and capacity to deliver the innovation and income delivery through the Council's assets that is required to generate additional income for the council.

REPORT

3.0 Opportunities Appraisal and Risk Assessment

- 3.1 A restructure of the assets and estates function is being implemented to ensure that the service is able to effectively manage and develop the council's estate and to support the delivery of the growth and income targets for the council.
- 3.2 A plan of improvement activities (appendix 1) has been identified following an independent review of the assets and estates service. This will ensure that roles and skills within the service are developed and organised to improve the management of the council's estate and to help deliver the investment programme.
- 3.3 Commercial partnership contracts will be procured for different services that can deliver additional and flexible capacity and transfer of best practice, knowledge and skills. These require intelligent/ expert client roles to deliver key projects at pace. The review of functions and

performance will also consider the potential for outsourcing along with an assessment of cost, benefit and risk.

- 3.4 A new project evaluation framework, known as the “Hopper”, has been adopted to inform and prioritise investment decisions and to consider how the council uses and acquires land and property. This in turn will enable the growth in houses and jobs in the county and generate additional income for the council.
- 3.5 The improvement plan and the “Hopper” will incorporate an assessment of opportunity and risk for each investment project proposal and each improvement activity.
- 3.6 Key decisions regarding the acquisition, disposal, development and investment in land and property will align with the following:
 - Development appraisals for Shrewsbury (associated with the Big Town Plan) and Shropshire’s markets town
 - Investment in the economic growth corridors and key sectors identified in the council’s economic growth strategy
 - The work being undertaken by the one public estate programme which considers how public sector land and property in Shropshire can be used to deliver growth in housing and jobs, reduce service delivery costs, generate capital receipts and sustainable additional income streams
 - The opportunity to create new innovative and integrated methods of delivering services in community hubs which will address local housing, health and care needs.

4.0 Financial Considerations

- 4.1 The council has committed to invest in schemes and projects which can deliver £15m of new revenue income over a period of five to ten years with returns on investment of 10% gross and 5% net having taken in account borrowing costs and capital repayment.
- 4.2 More specifically the council is required to generate a minimum of £5m of new revenue income by the 31st March 2020 and a total of £8m by 31st March 2023. The acquisition of the Shrewsbury shopping centres to support the economic growth and regeneration of the town centre has helped to generate net income of approximately £3m which is forecast to rise to £3.6m in 2021/22.
- 4.3 Further capital projects and investment opportunities have been identified and will continue to be assessed via the “Hopper” project prioritisation process. This involves the use of scoring criteria including economic, financial and social factors to inform investment decisions. The evaluation process will include the use of outline and detailed

business cases which shall include financial due diligence and a thorough assessment of opportunity and risks.

5.0 Background

- 5.1 Shropshire Council's Cabinet made a decision to implement a Corporate Landlord model in 2015, with financial approval having been given at Full Council.
- 5.2 The process of implementation took place in financial year 2015/16 whereby budgets totalling £12,528,080 were reallocated from directorate service areas to the Corporate Landlord. The full implementation of the model was envisaged to take between three and five years and the responsibility for budget management of income and expenditure moved across to the Assets and Estates team.
- 5.3 Among the key reasons for the implementation was consolidation and better management of estates related budgets. It was recognised that property related income was not being managed effectively in the service areas. The scale of the task and the issue of insufficient resources and inadequate systems and controls has led to an unsatisfactory assurance report.
- 5.4 The Portfolio Holder for Corporate Support and the former Director of Place & Enterprise undertook the following actions:
 - a) Instructed the Head of Business Enterprise and Commercial Services to take the necessary action to address all internal audit recommendations.
 - b) Directed the Head of Business Enterprise and Commercial Services to secure additional staffing resources for a fixed period of time to address the areas of weakness in property and financial management including a thorough review of data held in the Technology Forge system relating to leased out property.
 - c) Commissioned an independent review of the assets and estates function to identify where and how improvements can be made to assets and estate management.
 - d) Commissioned an independent review of all systems and processes that are undertaken within the Council to support new and expanding businesses and sectors in accordance with the economic growth and commercial strategies.
- 5.5 Additional staffing resources have been put into the Assets and Estates team which include a Finance Support Officer, Finance Assistant and Property ICT officer to support the improvements required on Technology Forge system and to increase the financial resilience in managing the estate. These are fixed term posts at present.

- 5.6 The Council commissioned a company called Ameo to undertake a review of the assets and estates function and the systems and processes used by the respective property teams and to suggest where improvements can be made. The recommendations are set out in Appendix 1.
- 5.7 In summary the independent report recommended that:
- a) A service restructure is required to provide more Leadership and Management capacity, and bring focus to strategic planning and investment, and to regroup some functions within a more logical team structure.
 - b) Separate commercial partnership contracts should be procured for:
 - i. Asset Management & Investment - to provide capacity and expertise in asset management, investment and development advice, market insight.
 - ii. Project Management – to provide project management capacity, commercial expertise and to professionalise maintenance services.
 - c) Service Improvement Plan – A prioritised action plan to improve culture & behaviours, strategic capability, operating processes and management information. With most urgent priority being the investment in a property data and systems project as part of the Council's digital transformation programme.

6.0 Next steps

- 6.1 To implement the proposed change to the assets, estates and property services and functions and recruit two new management roles; one to lead on property strategy and investment and the other to lead on property operations. Both posts will report to the Head of Business Enterprise and Commercial Services.
- 6.2 To recruit a commercial/ development specialist on a fixed term contract to act as an interim resource and establish an intelligent client role to commission and work with commercial partners.
- 6.3 To procure commercial partnership contracts to provide capacity and expertise in asset management, investment and development advice, and market insight. Also to provide project management capacity, commercial expertise and to professionalise maintenance services.
- 6.4 To continue to implement an action plan which addresses the recommendations set out in appendix 1.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
Cabinet Member: Cllr Steve Charmley – Portfolio Holder for Corporate Support
Local Members:
Appendices: Assets and Estates improvement plan 2018-19

Assets and Estates improvement plan 2018-19

Key recommendations
People and culture
<ul style="list-style-type: none"> ➤ Establish a working group within the Assets and Estates and Property Service, (with external facilitation if necessary) to develop a basic set of values and behaviours which all staff should adhere, and to explore and agree on a more detailed set of standards and practices in engagement with customers and other stakeholders.
<ul style="list-style-type: none"> ➤ Develop a regular programme of staff engagement e.g. minimum - quarterly forums to bring together different teams to foster a sense of One Team and wider understanding of what each team delivers. Agenda to include leadership briefings, updates by staff on key projects and future initiatives, guest speakers from other Council services plus a programme of social or charitable activities that can help to build more effective working relationships. ➤ Supplement staff engagement forum with bi monthly e-newsletter highlighting new projects, new staff members and notable achievements. ➤ Review potential to collocate all delivery teams as part of Shirehall redevelopment project. ➤ Bring Senior Managers and team leaders out into open plan area with their staff and teams.
<ul style="list-style-type: none"> ➤ Instigate clear flexible working policy for all teams. Support policy with training for managers and team leaders on how to manage performance and outputs in flexible working environment.
<ul style="list-style-type: none"> ➤ Review regional peer group Property forums and ensure council representation at each meeting.
Organisation and Leadership
<ul style="list-style-type: none"> ➤ Implement recommended management restructure. Head of Business Enterprise and Commercial Services to assume full Leadership responsibility for Assets, Estates and Property operations, reporting to the Chief Executive with bolstered Strategic and Operational Leadership roles. ➤ Define and implement a Performance Framework for the Assets and Estates Service which needs to be regularly monitored and evaluated. ➤ Improve project governance. Ensure all projects use common approach i.e. have a project initiation document which sets out clear stakeholder map and governance arrangements including clear roles and responsibilities for steering group and project delivery teams.
Strategy
<ul style="list-style-type: none"> ➤ New 5-year Strategic Asset Management Plan is required that meets best practice standards and contains clear year by year prioritised action plan. ➤ Establish structure for ongoing asset service reviews including key stakeholders from all service departments. This should include

identifying client relationship managers to work with service leads, and the development of means of capturing information on service strategies and future scenarios and risks, that can inform asset reviews and planning.

- Asset service plans and dialogue with services must be supported by data on estate condition and utilisation.
- Commission discrete review of asset base to assess scope of investment opportunity within the council's portfolio, and help to identify pipeline for future disposal.
- Collate work already carried out on investment prioritisation into formal strategy aligned to Council strategic plan for formal sign off by Council - setting out aspiration for investment fund, types of asset, geographical reach, required return on investment ROI (over what period), financing approach and governance arrangements.

Information Management and Reporting

- Project team to be established to drive data strategy and asset system review and implementation.
- A data strategy is required setting out
 - what data the council needs to hold to manage its estate effectively
 - clear prioritisation programme and resource budget for establishing a reasonable baseline level of data across the estate.
 - articulation of how property information will be recorded and managed in future and definition of reports and management information required for effective management of the estate
- A property asset management system review to be undertaken to include detailed evaluation of Technology Forge compared with alternative asset systems (incl. ERP) against a clear set of functional criteria to establish preferred data system.

Capacity & Skills

- Skills audit across all teams to establish long term needs and capacity within the service and support reorganisation of Asset, Estates and Property Services.
- Immediate recruitment of qualified staff on fixed terms contracts to provide capacity in analysing new investment and development opportunities pending resolution of long term delivery model for this work.
- Participation in CIPFA annual benchmark survey to assess resourcing against peer organisations across key functional service areas.

Governance and Processes

- Develop Property Policy setting out standards and targets for use and occupation of the estate to support emergent Corporate Landlord model

- including clear policies for declaring surplus space, incentivising efficiency through budget cost transfer and rules for vacation, clean up and handover to Property Service.
- Dispense with commissioning approach to maintenance. PPM plan and maintenance priorities to be conceived jointly by Property Services Group (PSG) and the Asset Strategy team with reference back to Service Asset Plans.
- Remove PSG internal charge on minor works and maintenance.
- Review and quality assure all relevant estate processes, with close reference to data management strategy and preferred asset management system solution