

**MINUTES OF A MEETING OF THE CORPORATE OVERVIEW AND SCRUTINY COMMITTEE HELD IN COMMITTEE ROOMS 2/3, CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON THURSDAY, 5 OCTOBER 2017 AT 9.30 AM**

Present

Councillor CA Green – Chairperson

JPD Blundell	J Gebbie	T Giffard	M Jones
RL Penhale-Thomas	B Sedgebeer	RMI Shaw	JC Spanswick
T Thomas	CA Webster		

Apologies for Absence

N Clarke

Officers:

Fiona Blick	Group Manager Property
Sarah Daniel	Democratic Services Officer - Committees
Gail Jewell	Democratic Services Officer - Scrutiny
Andrew Jolley	Corporate Director Operational & Partnership Services
Rachel Jones	Corporate Procurement Manager
Andrew Rees	Senior Democratic Services Officer - Committees
Mark Shephard	Corporate Director - Communities
Kelly Watson	Group Manager Legal & Democratic Services

14. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor N Clarke.

15. DECLARATIONS OF INTEREST

The following declarations of interest were made:

Councillor CA Green declared a personal interest in agenda item 6 – Procurement Update as a director of a company that has successfully negotiated the Council's procurement process.

Councillor M Jones declared a personal interest in agenda item 6 – Procurement Update as a director of a company that has successfully negotiated the Council's procurement process.

Councillor C Webster declared a personal interest in agenda item 8 – Budget Monitoring 2017-18 – Quarter 1 Forecast as a family member is in receipt of Social Services support.

16. APPROVAL OF MINUTES

RESOLVED: That the minutes of the meeting of the Corporate Overview and Scrutiny Committee of 31 July 2017 be approved as a true and accurate record.

**17. OVERVIEW AND SCRUTINY FORWARD WORK PROGRAMME**

The Scrutiny Officer presented the Overview and Scrutiny Forward Work programme for 2017-18 for approval. She informed the Committee that there would need to be flexibility in the Forward Work Programmes and they would be reviewed by this Committee at each meeting as part of its remit for setting and prioritising the overall Forward Work Programme for the Subject Overview and Scrutiny Committees.

Conclusions

Following consideration by the Committee, it determined the Overview and Scrutiny Committee Forward Work Programme as follows:

Members discussed the Corporate Overview and Scrutiny Forward Work Programme and agreed the following:

- Remove Contract Management from the forward work programme for the 15 November meeting due to the queries being addressed at the Subject Overview and Scrutiny Committee and by way of Pre-Council briefings.
- Members considered the feedback and responses from their previous Committee Meeting and asked for further clarification in relation to the Sickness Absence item with reference to points A and E

Members discussed the Subject Overview and Scrutiny Committees Forward Work Programme and agreed the following:

- Invite the Leader and Chief Executive for the City Deal item
- Recommended the webcasting of the Dementia item and to invite external bodies such as the Alzheimer's society to the meeting.
- For an item on Autism to be added to the Forward Work Programme. Member to complete a criteria form to expand further on request before this is added to the Forward Work Programme.

Members prioritised and delegated the following to the Subject Overview and Scrutiny Committees:

<b>Item</b>	<b>Committee</b>	<b>Date of meeting</b>
School Strategic Review	1	10 January 2018
Empty Homes	2	8 January 2018
Community Asset Transfer	3	17 January 2018
School Standards	1	8 February 2018
Economic Prosperity of Bridgend County Borough	2	7 February 2018
Town Centre Regeneration	3	12 February 2018

**18. NOMINATION OF MEMBERS TO PUBLIC SERVICE BOARD PANEL**

The Scrutiny Officer presented a report which sought a nomination for one member of the Committee to sit on the Public Service Board Overview and Scrutiny Panel.

RESOLVED: That Councillor T Giffard be nominated the Committee's representative to sit on the Public Service Board Overview and Scrutiny Panel.

19. PROCUREMENT UPDATE

The Scrutiny Officer presented a report which gave an update on the progression of the various work streams on the Corporate Procurement Review and which also highlighted how compliance with legislation is achieved via the procurement process.

The Committee questioned who would be consulted as part of the review of the Procurement Strategy. The Corporate Procurement Manager stated that consultation would take place with the Corporate Management Board which would then filter through the Council.

The Committee questioned the lack of a deadline for eTendering. The Corporate Procurement Manager informed the Committee that eTendering had been rolled out in accordance with the Public Contract Regulations and the authority will be fully compliant by October 2018. The Corporate Director Operational and Partnership Services confirmed that a number of large scale projects had been procured through eTendering, including the procurement of school transport contracts.

The Committee questioned what due diligence measures are applied when the authority procures contracts to ensure the financial probity of companies and that companies which tender for the Council's services behave in an ethical manner and in line with the Council's own values. The Corporate Director Operational and Partnership Services informed the Committee that an appraisal into the financial probity of companies is undertaken each time by the Finance Department to ensure they are financially secure. He stated that due diligence of potential contractors is undertaken before companies are allowed on to the Framework Agreements in use by the authority. The Committee questioned who is responsible for reviewing that process before the authority enters into a contractual arrangement with a company. The Corporate Director Operational and Partnership Services clarified that the appropriate Corporate Director along with the Category Specialist would have that responsibility to ensure scoring of a tender was done correctly. The Committee questioned what steps were taken to ensure the ethical probity of companies the authority was to enter into contract arrangements. The Corporate Director Operational and Partnership Services stated that the authority used a standard set of questions which potential contractors were required to answer in assessing whether they were ethical and also used standard contracts.

The Committee also questioned why the authority had not committed to the ethical code of practice by paying its staff the living wage which goes to the heart of fairness and whether the authority required companies it contracted with to do the same. The Corporate Director Operational and Partnership Services commented that paying the living wage is a political decision for the authority to make. He stated that paying the living wage would impinge on every Directorate and on national pay scales which was to be the subject of review. Paying the national living wage would require a great deal of work and funding. He also stated that the authority would not require its contractors to do what the authority would not do itself. The Cabinet Member Wellbeing and Future Generations informed the Committee that the authority adheres to the national minimum wage but confirmed the authority did not pay the living wage. The authority would need to cut costs in order to pay the living wage and that it would be difficult for the authority to ask suppliers to sign up to something the authority did not itself do. The Deputy Leader informed the Committee that the authority meets all its statutory obligations and that it comes down to the authority checking that its suppliers has the same values as the authority and he was content the authority is an ethical employer. He stated that

paying the living wage would be a budgetary pressure and that the paying the living wage would be looked at in the context of the budget process. The Chairperson stated that paying the living wage would be a huge brief for the authority.

The Committee expressed concern at the potential for suppliers to be used by the authority who do not allow their employees to be members of trade unions and that the authority should only engage with suppliers who encourage their employees to be members of recognised trade unions. Concern was also expressed that suppliers who do not allow employees to be members of trade unions may undercut competitors to win contracts. The Corporate Director Operational and Partnership Services informed the Committee that the authority encourages ethical responsibility by its suppliers; however there was a need to ensure that smaller companies are not precluded from tendering for services where the employees of those companies were not members of trade unions. He stated that the wording of procurement documentation would be strengthened encouraging suppliers to recognise trade unions as part of the authority's ethical standards.

The Committee also questioned whether there was gender disparity in relation to pay and career opportunities. The Corporate Director Operational and Partnership Services informed the Committee that the authority requires its contractors to comply with equalities legislation. He stated that the authority has standard pay scales and employs more females than males. He informed the Committee that the authority recruits and promotes on merit and ensures there is no gender disparity. He stated that the authority can require companies to comply with legislation.

The Committee commented that is more likely that females would be engaged on zero hour contracts and that the authority should limit the use of companies who employ staff on such contracts and only use in exceptional circumstances. The Corporate Director Operational and Partnership Services informed the Committee that the Registrar's service engages staff on zero hour contracts who conduct weddings at weekends. He stated that those staff would not wish to be engaged otherwise than on zero hour contracts as most are retired and prefer to have flexibility on the hours they work. He informed the Committee that the authority does not promote the use of zero hour contracts. The Committee considered that procurement documentation should state that zero hour contracts should only be used in exceptional circumstances.

The Committee questioned whether the review would look at individual contracts. The Corporate Director Operational and Partnership Services informed the Committee that the review would look at Contract Procedure Rules; the starting point would be to look at legislation and to ensure the authority receives best value. He stated that the authority now has a contracts register and has re-structured the Corporate Procurement Team where Category Specialists concentrate on where spend is made by Directorates and who also have corporate oversight.

The Committee questioned whether all staff have received training on modern slavery and ethical practices and in domestic violence. The Corporate Procurement Manager stated that all staff involved in procurement receives training in modern slavery and ethical practices. The Corporate Director Operational and Partnership Services informed the Committee that there is a requirement that all staff receive domestic violence training as part of the corporate training programme.

The Committee questioned the meaning of the term SQuID. The Corporate Director Operational and Partnership Services informed the Committee that the term SQuID (Supplier Qualification Information Database) is a common set of questions used to assess and evaluate suppliers and makes the contracting process simpler for the supplier and buyers.

The Committee asked whether the authority has the ability to terminate contracts. The Corporate Director Operational and Partnership Services stated that the authority would need to have evidence that a breach of contract had occurred and if so, the authority would have the ability to terminate.

The Committee questioned whether the authority has a commitment to procuring services from local companies and within Wales. The Corporate Director Operational and Partnership Services stated that the authority supports local businesses by procuring locally and has included in contract documentation the need for suppliers to recruit locally and to provide apprenticeship opportunities. The Deputy Leader stated that the new school under construction in Ynysawdre required the contractor to offer 3 apprenticeship opportunities on site.

The Committee considered that officers should consider best practice amongst local authorities in England where the Due North procurement portal is used to procure contracts particularly amongst small and medium enterprises as the Sell2Wales favours procurement of services from larger companies.

The Chairperson thanked the invitees for their contribution.

Conclusions:

The Committee made the following conclusions:

1. Members were concerned that the Authority were not signed up to the Code of Practice - Ethical Employment in Supply Chains and recommended officers undertake a review of the full implications of the Authority signing up to the code, including the cost to the Authority for paying the Real Living Wage and report the cost implications back to Members
2. Members recommended that when undertaking the Procurement Business Review that the Authority state in the procurement specifications that they support ethical employment, and did not support the following:
  - Suppliers who do not allow their employees to join a trade union.
  - Zero hour contracts except in exceptional cases.
  - Gender disparity in relation to pay and career opportunities.
3. The Committee recommend that Officers look to pursue best practice with other Local Authorities in relation to procurement software packages that identify due diligence and signpost Officers to Due North. Members recommended that as part of the corporate review process that a mechanism be put in place to support the local economy when procuring contracts and ensure that the contract is efficient, fit for purpose and the Authority do not just sign a contract with those suppliers offering the cheapest price.

The Committee requested the following further information from Officers:

- What percentage of contracts awarded are offered to local businesses and welsh based businesses?
- How many Local Authorities in Wales have signed up to the Code of Practice – Ethical Employment in supply Chains, and of those signed up how many pay the voluntary Real Living Wage as set by the Living Wage Foundation which is calculated on actual living costs.

What Strategic Overview is undertaken for large scale contract awarding to ensure due diligence such as reputational issues of suppliers, past performance and engagement and consultation with other Local Authorities?

20. RATIONALISING THE ESTATE: SMARTER USE OF RESOURCES

The Scrutiny Officer introduced a report on rationalising the Council's estate which is a key project relating to the Smarter Use of Resources corporate priority.

The Corporate Director Communities informed the Committee that the intent of the report is to demonstrate the extent of the Council's asset management portfolio, the strategic direction of travel, the progress made with Community Asset Transfer and other major projects.

The Committee questioned the progress made on acquiring property for investment. The Group Manager Property Services stated that the Council has an eclectic mix of commercial property within its portfolio. The majority of which are not held for purely investment purposes. Examples of those properties are at the Innovation Centre in the Science Park, to provide start-up space for businesses. Property has also been acquired at Waterton Cross, specifically as an investment and to generate an income from letting out the premises. She stated that the service has a budget of £0.5m to acquire additional property for investment but nothing suitable had been identified within the borough council. A bid had been placed for additional capital monies, following advice from CIPFA and Alder King, but the bid had proven unsuccessful at this stage. The Corporate Director Communities stated that if further funding was made available to invest in commercial property there was the potential that the Council would be able to generate more income. He also informed the Committee that many local authorities had gone down alternative routes of investing in commercial developments in order to generate new income streams. However, there were clearly also some risks associated with this approach.

The Committee questioned the reason for 126 non-operational properties being retained. The Group Manager Property Services informed the Committee that the properties ranged from starter units to properties at the Innovation Centre and Science Park and small garages. She stated that some non-operational properties are commercial; some properties serve a socio-economic role whilst some properties had simply been inherited.

The Committee commented that many sites in valley communities which had been deemed to be surplus needed to be cleared as the sites were not commercially viable and questioned whether a community approach could be adopted in determining the future of the site. The Group Manager Property Services stated that this approach was already taken when appropriate, for example in the Ogmore Valley; however it was found that often it had proven too much of an undertaking for the community and therefore the transfer of the asset to the community could not take place and the site was disposed of on the open market. The Group Manager Property Services informed the Committee that the most successful disposals had been when the site had been disposed to Town and Community Councils.

The Committee commented that there were a number of sites which had been left in a poor visible state after the building had been demolished but not disposed of. The Corporate Director Communities stated that the Welsh Government led Valleys Task Force had considered sites affected by blight, as this was an issue affecting a lot of South Wales particularly in valley areas where the value of land was not always high, and that there was a strong case for both Welsh and UK Government intervention to improve the aesthetic look of sites when buildings had been demolished.

The Committee referred to the budget of £890k available for Community Asset Transfer and questioned would there be competing demands for funding in the event of the budget being utilised if all applications for the transfer of assets were approved. The Corporate Director stated that the funding was specifically to improve parks pavilions as part of the CAT process, and that any future funding was dependent on the success of spending the existing budget of £890k. The Deputy Leader commented that the funding of £890k would have to be drawn down first prior to a further budget being allocated to community asset transfer.

The Committee asked whether there were opportunities to preserve the heritage of sites, such as the stonework from schools which were to be demolished. The Group Manager Property Services stated that if communities were interested in preserving the heritage of sites which were to be demolished, officers would be interested in looking at those proposals. The Corporate Director Communities informed the Committee that a precedent had been set in that plaques had been retained locally from the former Berwyn Centre. The Deputy Leader commented that he could not see problems with the heritage of sites being retained in communities.

The Committee questioned whether consultation takes place with registered social landlords and the third sector on sites the Council proposes to demolish. The Group Manager Property Services confirmed that officers work closely with registered social landlords on the disposal of school sites and other sites to consider their potential redevelopment. She stated that some sites are disposed at market value, while other sites are disposed at nominal value.

The Committee questioned whether apprenticeship opportunities could be secured as part of the redevelopment of sites and projects. The Corporate Director Communities informed the Committee that there is potential for apprenticeship opportunities but there was pressure to maximise capital receipts from land disposals. He stated that the potential for generating apprenticeship opportunities could be looked at as part of the procurement of projects where appropriate. He informed the Committee that the Council already required that apprenticeships be secured as part of the school modernisation building programme.

The Chairperson thanked the invitees for their contribution.

#### Conclusions:

The Committee made the following conclusions:

1. Members recommended that the Authority engage with the local community, including Town and Community Councils before council owned buildings are demolished and allow an opportunity to retain the heritage of the Community. Members recommended that a written plan be drawn up well in advance with clear timelines on the consultation period so that all consultees are clear on the timings involved in the process.
2. Members were concerned that there was a lot of land in the Borough that had been left in a poor visible state after the building had been demolished but not disposed of. The Committee supported the Directorates desire for Welsh Government intervention to aide with making communities more aesthetically pleasing when a building has been demolished.

Members recommended exploring the opportunity of generating Apprenticeship opportunities during the procurement process. Members recommended that this could be made a part of the contract when companies bid for properties/ land.

21. INFORMATION REPORTS FOR NOTING

The Committee received for noting an update on the Council's financial position as at 30 June 2017. The Council was projected to have a net under spend of £1.209m comprising a net over spend on Directorates of £292k and £1.501m net under spend on corporate budgets as at 30 June 2017.

The Committee expressed its concern at the projected over spend in the Social Services and Wellbeing Directorate and the reason for savings in that Directorate not being achieved. The Committee also requested clarification of the spend on the Other Services to Older people budget.

RESOLVED: That the report be noted.

22. URGENT ITEMS

There were no urgent items.

The meeting closed at 11.56 am