

Minutes of the Scrutiny Committee Meeting held on 7 February 2017 at 10:00 am in the Elisabeth Room, Endeavour House, Ipswich.

Present: Councillors Mary Evans (Chairman), John Field (Vice Chairman), Peter Beer, Kathy Bole, John Burns, Jessica Fleming, Peter Gardiner, Len Jacklin, Graham Newman, David Ritchie and Robin Vickery.

Also present: Councillors Matthew Hicks, Richard Smith MVO

Supporting officers present: Theresa Harden (Business Manager, Democratic Services) and Linda Pattle (Democratic Services Officer).

37. Public Participation Session

There were no applications to speak in the Public Participation Session.

38. Apologies for Absence and Substitutions

Apologies for absence were received from Councillor Trevor Beckwith, Councillor Sandra Gage (substituted by Councillor Peter Gardiner) and Councillor Robin Millar (substituted by Councillor Graham Newman).

39. Declarations of Interest and Dispensations

Councillor Len Jacklin declared a local non-pecuniary interest in Agenda Item 6 (Housing Development Company – Barley Homes (Group) Ltd), by virtue of the fact that he is a member of the Councillors' Shareholder Advisory Group for Barley Homes (Group) Ltd.

Councillor David Ritchie declared a local non-pecuniary interest in Agenda Item 6 (Housing Development Company – Barley Homes (Group) Ltd), by virtue of the facts that he is the Deputy Leader of Waveney District Council with responsibility for Planning and Coastal Management and is helping to develop a housing strategy for the District Council.

40. Minutes of the Previous Meeting

The Minutes of the meeting held on 20 December 2016 were confirmed as a correct record and signed by the Chairman, subject to the amendment of the penultimate sentence of Minute No.32, Reason for Recommendation (j), by deleting reference to the term "fit for purpose".

41. Suffolk Fire and Rescue Service – Improving services through collaboration

At Agenda Item 5 the Committee considered a report providing information about the work being undertaken by Suffolk Fire and Rescue Service to develop arrangements with other blue light services and public sector partners.

The Chairman welcomed the following witnesses:

Councillor Mathew Hicks, Cabinet Member for Environment and Public Protection

Mark Hardingham, Chief Fire Officer

Dan Fearn, Deputy Chief Fire Officer

Tim Passmore, Police and Crime Commissioner (PCC) for Suffolk

Chris Jackson, Chief Executive, Suffolk PCC's Office

Steve Jupp, Deputy Chief Constable

Glenn Young, Sector Head for Suffolk and North Essex, East of England Ambulance Service NHS Trust

Councillor Hicks made some introductory remarks. He praised the vision of the previous Cabinet Member for Public Protection, Councillor Colin Spence, who had been fully committed to greater collaboration between the 'blue light' services. Councillor Hicks also paid tribute to the work done by Dave Pedersen in managing the programme.

Mark Hardingham presented the Evidence Set. He referred to a speech being made by the Minister of State for Policing and Fire Service on 7 February 2017, when the Minister was expected to set out his ambitions for closer worker for emergency services.

The witnesses were invited to make comments, and councillors had an opportunity to ask questions about what they had heard.

Recommendation: The Committee agreed:

- a) To congratulate officers on the work taking place to develop opportunities for greater collaboration across the blue light services and encourage further efforts.
- b) To recommend that some general principles should be developed to provide a collective strategic vision for the future of blue light collaboration, whilst retaining flexibility to react to local and organisational circumstances.
- c) To recommend that a conversation should take place with the Maritime and Coastguard Agency about what opportunities existed for greater collaboration.
- d) To recommend that a cost benefit analysis should be undertaken of the pilot work taking place on co-responding to help identify how this work might be further developed and funded for the future.
- e) To express concern about the process for gaining national funding for the Cadet programme and to recommend that the outcomes anticipated from the Suffolk's Cadet programme should be clarified.
- f) To recommend that every effort should be made to maximise the potential efficiencies available through greater collaboration on Fleet Management.
- g) To request an information bulletin setting out which Fire Stations were part of the Private Finance Initiative (PFI).

Reason for recommendation:

- a) The Committee received evidence of successful collaborative work across a range of activities relating to prevention, operations and estates. Members were aware that where services were co-located it was proving beneficial for officers to return to their base after an incident to talk over any learning points arising from the emergency. A recent example had been the emergency response to the East coast tidal surge in January 2017. Members heard that the public and frontline staff were enthusiastic supporters of the collaborative approach. The Committee was pleased to learn that from a national perspective Suffolk was at the forefront of this type of work, and that because of this the County Council had secured over £5m of transformation funding from the government.

Members were aware that there was scope for further collaboration between Suffolk's emergency services, as well as with emergency services outside the county boundaries. They were aware that with the changing patterns and complexity of demand in society, there were new opportunities for services to work together to improve their efficiency and effectiveness and deliver better outcomes.

- b) Members acknowledged that progress had been made in developing collaborative work, and they recognised that it was important to be flexible in taking advantage of opportunities for joint working, as and when they arose. This was particularly true with regard to learning from experiences in other parts of the country.

Nevertheless, the Committee considered that it would be useful for the services involved to set out, in broad terms, the criteria for entering into collaborative work, such as ensuring that: Suffolk residents and businesses would benefit from a joint approach; there was sufficient resource and capacity available; and the collaborative effort could be sustained.

The Committee also saw value in the services producing a statement about how they envisaged that collaboration would be taken forward. Not only would this provide a useful statement of strategic intent, it might also help to support bids for funding.

- c) The Committee heard that to date the Maritime and Coastguard Agency had not been involved in 'blue light' collaboration, although occasionally the Agency was drawn in to work on specific incidents. A recent example had been the joint response to the East coast tidal surge in January 2017, when the Agency had done excellent work in collaborating with the other emergency services. Members considered, given the coastal nature of Suffolk, that there would be merit in discussing with the Agency whether there were other opportunities for improving collaboration.
- d) The Committee heard about a co-responding pilot project, which involved firefighters responding with ambulance paramedics and community first responders to a specific range of medical emergencies. So far it appeared to be working very successfully, and there had been over 100 incidents when firefighters had worked alongside medical colleagues or been first on the scene. However, members were aware that although this pilot appeared to be bringing a range of benefits, including helping in the recruitment and

retention of on-call firefighters, and improving trust and understanding between the services, it also presented a number of operational and financial challenges. The pilot had been supported by funding of £40,000 from reserves, but it was not yet clear how the work would be financed after the end of the project in March 2017. The Committee heard that at a national level academic research was being carried out to evidence the value of co-responding, and members considered that in addition it would be important to undertake a local cost benefit analysis to identify the pros and cons for Suffolk's emergency services.

- e) Members were aware that a partnership cadet scheme called the Emergency Service Cadets was operating in Haverhill, Lowestoft and Bury St Edmunds. It was hoped to expand the scheme across the county. Some of the schemes were led by the Fire Service, others by the Police, depending on the volunteers available. The Committee was concerned to learn that, although national grant funding was available to start new cadet schemes, this was not available for joint schemes.

The Committee heard that the scheme taught important life skills and it was hoped it might encourage young people to consider a career in the emergency services. Members considered that greater clarity about the aims of the scheme might be useful when seeking funding to roll the programme out more widely.

- f) The Committee was aware that small project teams made up of colleagues from each organisation had discussed a number of potential areas for joint working. One such team was considering opportunities for greater collaboration on fleet management. Members thought there might be benefits to be gained through collaboration in this area.
- g) The Committee recognised that decisions about collaboration on estates were sometimes influenced by the fact that certain fire stations were part of Private Finance Initiatives. Members wished to know which stations were part of PFI.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None noted.

The meeting was adjourned from 11:30 to 11:38 am, and again (for lunch) between 12:23 and 1:15 pm.

42. Housing Development Company – Barley Homes (Group) Ltd

At Agenda Item 6 the Committee considered a report setting out the general principles of the operations of the housing development company known as Barley Homes (Group) Ltd, which was jointly owned by the County Council, Forest Heath District Council and St Edmundsbury Borough Council.

The Chairman welcomed the following witnesses:

Councillor Richard Smith MVO, Cabinet Member for Resource Management and Heritage and Vice-Chairman of the Councillors' Shareholder Advisory Group for Barley Homes (Group) Ltd.

Duncan Johnson, Assistant Director, Corporate Property

Louise Ainsley, Chief Accountant, Strategy and Accounts

Simon Phelan, Head of Housing, West Suffolk Councils

Councillor Smith made some introductory remarks and Duncan Johnson presented the Evidence Set. The witnesses were invited to make comments, and councillors had an opportunity to ask questions about what they had heard.

Recommendation: The Committee agreed to recommend:

- a) That the Chairman should approach West Suffolk councils' Scrutiny Committee Chairmen with a proposal to undertake joint scrutiny of Barley Homes (Group) Ltd at a future meeting.
- b) To recommend to the Shareholder Advisory Group and Directors of Barley Homes Group that consideration should be given to:
 - i. clarifying what potential reputational risks might exist to the shareholding councils from the activities of Barley Homes Group, which would not be a consideration for other commercial developers;
 - ii. in light of shareholdings, the extent to which the arrangements for dispute resolution were fit for the future.
- c) To recommend that the governance structure should be kept under review, in response to any learning from other authorities involved in similar arrangements, and the need for transparency and accountability.
- d) That the appointment of Non-Executive/Independent Directors to the Board should be expedited.
- e) To request an information bulletin setting out the arrangements for the appointment and dismissal of Directors and Non-Executive Directors.

Reason for recommendation:

- a) The Committee was aware that the councils involved in Barley Homes were breaking new ground. Local authority owned housing development companies were a relatively new concept, and no other such company in the country involved more than one council. Therefore, members considered that it would be in the public interest for further joint scrutiny to take place in order to investigate how well the arrangements were working.
- b) Members were aware that in making decisions, commercial developers were at liberty to weigh commercial considerations against potential damage to reputation, and choose to take a reputational risk to protect their commercial interests. (Examples given were where a smaller subsidiary was put at risk of bankruptcy, or where there was a breakdown in relations between a developer and the local community.) When analysing risks, Barley Homes would need to consider any potential damage not only to its own reputation, but also to the reputation of the councils involved, which might limit its ability to act in a purely commercial manner. The Committee wished to be assured that full account had been taken of these differences of approach.

Members were aware of the possibility that the shareholding councils might at a future date be in dispute with each other. Currently the County Council owned 50% of the shares, Forest Heath District Council owned 25%, and St Edmundsbury Borough Council owned 25%. However, if the district and

borough councils amalgamated, this would create a 50:50 split. The Committee expressed concern about how any disagreement or deadlock might be overcome, and heard that there were legal provisions to cover such an eventuality. Members wished to be assured that these provisions were robust.

- c) Members considered that it would be challenging for a commercial concern such as Barley Homes to achieve the level of accountability and transparency expected within local government.

The Committee was aware that negotiations between planning authorities and developers were often confidential and protracted, particularly on the subject of the viability of affordable housing. It was acknowledged that for a company owned by a local authority this could prove a particularly difficult area. Members were concerned about the potential for officers to have a conflict of interests. The Committee heard that on this subject the Directors were following advice produced by the Department of Communities and Local Government. They received no payment for their work as Directors and therefore had no pecuniary interest. Nevertheless, the Committee was aware that there was a value accorded to officers' time.

Bearing these points in mind, members anticipated that the governance structure of Barley Homes would need to be reviewed in the light of experience within Suffolk and across the country.

- d) The Committee was aware that councillors had been calling for the appointment of three independent directors to the board of Barley Homes. Members heard that progress on all matters associated with the company had been slow because a very cautious approach was being taken, in accordance with legal advice. In December 2016 the Cabinet had approved the business plan and related loans, which meant that Barley Homes was in a better position to make appointments. The Committee noted that independent directors were paid for their services, but members considered that the value of their advice should outweigh the costs involved, and they wished to see the process expedited.
- e) The Committee wished to have a better understanding of the arrangements for the appointment and dismissal of Board members.

Alternative options: None considered.

Declarations of interest: Councillors Len Jacklin and David Ritchie declared local non-pecuniary interests in this Agenda Item, as set out in Minute No. 39 above.

Dispensations: None noted.

*Councillors Graham Newman and Richard Smith left the meeting at 2:18 pm.
Councillor Len Jacklin left the meeting at 2:25 pm.*

43. Information Bulletin

The Committee received an Information Bulletin at Agenda Item 7.

44. Key Decision Forward Plan and Scrutiny Forward Work Programme

At Agenda Item 9 the Committee received the Key Decision Forward Plan and the Scrutiny Committee forward work programme.

Decision: The Committee agreed:

- a) To add an item to the forward work programme on management of the County Council's estate.
- b) That later in 2017 the chairmen of the Scrutiny Committee, Education and Children's Services Scrutiny Committee, Health Scrutiny Committee and Police and Crime Panel should form a joint Task and Finish Group to look at the issue of child exploitation in Suffolk.

Reason for decision:

- b) Data in the Information Bulletin (about the costs of County Council accommodation occupied by County Council staff and rented out) gave rise to further questions about the management of the estate which members wished to pursue through scrutiny.
- c) Councillors were aware that various agencies in Suffolk were involved in preventing and dealing with child exploitation. The Committee considered that it would be helpful for a Task and Finish Group to take an overview of current activities across the board and consider whether there was scope for a more joined up approach.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None noted.

45. Urgent Business

There was no urgent business.

The meeting closed at 3:16 pm.

Chairman

