

OVERVIEW AND PERFORMANCE SCRUTINY FORUM

Tuesday, 19th March, 2019

Present:-

Councillor Sarvent (Chair)

Councillors L Collins
Falconer

Councillors P Innes

Neil Johnson, Assistant Director – Economic Growth +

+ Attended for Minute No.49

47 DECLARATIONS OF MEMBERS' AND OFFICERS INTERESTS RELATING TO ITEMS ON THE AGENDA

No declarations of interest were received.

48 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors J Barr, Borrell, Callan, Caulfield, D Collins, V-A Diouf and Dyke.

49 LEADER AND CABINET MEMBER FOR ECONOMIC GROWTH - DERBYSHIRE BUILDING CONTROL PARTNERSHIP

The Assistant Director – Economic Growth attended to provide an update on the Derbyshire Building Control Partnership (DBCP).

Five years ago it was suggested that a group of Local Authorities join together to deliver a building control service across Derbyshire.

The previous building control services had faced significant challenges including:-

- Increased competitor activity
- Disruptive technologies
- Growing customer power
- Under-investment in the future
- Limited scale and position in the market
- Lack of marketing and promotion

- Limited cross boundary working and sharing of capabilities
- Management struggling to challenge treasured beliefs
- Risk adverse culture

Clear objectives were set for the DBCP to best ensure the success of the new company. These objectives included: a blueprint for the commercial delivery of Authorities services, delivery of the regulatory obligations for the Authorities, delivery of a more customer responsive service, a sustainable financial and resource position, supporting skills and employment growth, generating a surplus, reducing the cost of service and encouraging innovation

A strong business case was then put together. The key elements of this business case included growing revenue and market share, a straight forward legal and economic structure and an operating model including human resources arrangements.

The plans for growing the business's income were explained to the Committee along with the plans to manage the costs of the business. Managing the costs would involve: changing the mix of staff including hiring more apprentices and graduate staff, reducing overheads and operating two offices for a mobile IT enabled workforce.

The Committee was informed that all surpluses would be redistributed to the shareholding authorities and building control would move from a negative overall contribution to a surplus of £0.226m. The authority shareholders would see the accounts of the business to ensure that surplus creation continued.

The achievements of the company since June 2017 included:

- On target revenue and current position was 15% above budget for 2018/19
- Costs were 78% of budget forecast
- The market share had been retained (apart from Derby)
- Retained the core members of staff
- All data had been integrated and the IT systems were stable
- Four trainees had been recruited into the organisation
- Marketing and promotion was in place to support the business development
- The members of staff were acting as promoters of change

The benefits for the Local Authorities were outlined. Previously the past situation for the annual cost of service provision was unpredictable and agency costs were likely to increase as qualified staff retired. The present situation was now that the known annual costs of service.

The past situation for resilience and sustainability was challenges with retaining staff and spending money on agency staff as a skilled but aging workforce would depart. The present situation was a recruitment of a strong pool of skilled staff and retaining talent. This contributed to the development of a business with resources for the medium and long term.

The past situation for returns was a contribution through recharges to mask inefficient resource allocation. Changes had been implemented and returns were now going to the general fund.

The past situation for delivery involved difficulties in managing a small team. These issues had been resolved and an effective governance arrangement was in place which meant that the company was successfully managing itself.

The lessons learnt through the process were explained. The understanding of the issues and context was a very important element and the team approach to building the model was key. During the creation of the vision it was very important to have significant options analysis along with getting and maintaining a buy in. The establishment of baseline costs and realistic forecasts was also essential. It was vital to gain political approval to put the plans into action, obtain sufficient resources and be aware that people like the status quo.

The challenges and opportunities for DBCP were:

- Development of an AI business
- Developing broader service portfolio to partners
- Continue path of staff mobilisation
- Challenge of competition in Derby
- Develop and manage KPIs and performance information flows
- Respond to the Hackett Report
- Grow a professional team and recruitment issues
- Introduce a reward structure

Members enquired how were the costs for the business established at the beginning of the process. The Assistant Director explained that the first step was to understand where the money had been spent and what were

the elements that made up the costs. It was helpful to look at those Local Authorities who had less awareness of how money was being spent and to identify and investigate all the hidden costs. Costs were often accounted for differently and in different budgets. Analysis was necessary to understand what costs were currently included and whether they would be included in the future.

The Assistant Director was also asked how vacancies were advertised and the committee were advised that available jobs were included on the DBCP website and in trade press.

RESOLVED –

That the inclusion of an annual update on the Derbyshire Building Control Partnership as an item on the Committee's work programme for 2019/20 be considered as part of the annual scrutiny work programming in June.

50 FORWARD PLAN

The Forward Plan was considered.

RESOLVED –

That the Forward Plan be noted.

51 SCRUTINY MONITORING

A monitoring progress update on the Cabinet response to the recommendations of the HS2 Scrutiny Project Group report was provided. The Scrutiny Monitoring Schedule was considered.

RESOVLED –

1. That the update on the Cabinet response to the recommendations of the HS2 Scrutiny Project Group report be noted.

2. That the Scrutiny Monitoring Schedule be approved.

52 WORK PROGRAMME FOR THE OVERVIEW AND PERFORMANCE SCRUTINY FORUM

The Work Programme for the Overview and Performance Scrutiny Forum was considered. The Committee were advised that the scrutiny work programme action planning days would take place after the Borough Election on 2 May, 2019 which would give all members the opportunity to raise items for consideration.

RESOLVED –

That the Work Programme be approved.

53 JOINT OVERVIEW AND SCRUTINY

The Joint Chairs had attended a question and answer session with the Sheffield City Region Mayor at a meeting of the Sheffield City Region Scrutiny Board.

RESOLVED –

That the update be noted.

54 OVERVIEW AND SCRUTINY DEVELOPMENTS

The Joint Chairs would be attending the next meeting of the East Midlands Scrutiny Network on 29 March, 2019 which would be held at Chesterfield Borough Council.

55 MINUTES

The Minutes of the Overview and Performance Scrutiny Forum held on 15 January, 2019 were presented.

RESOLVED –

That the Minutes be approved as a correct record and signed by the Chair.