

## JOINT SCRUTINY PANEL

Minutes of a meeting of the Joint Scrutiny Panel of Bolsover District Council, Chesterfield Borough Council and North East Derbyshire District Council held in Chamber Suites 1 and 2, The Arc, Clowne on Thursday 21<sup>st</sup> November 2013 at 1400 hours.

### **PRESENT:-**

Members:-

Councillor R. Heffer (Bolsover District Council) in the Chair

Bolsover District Council (BDC):-

Councillor S. Wallis

Chesterfield Borough Council (CBC):-

Councillors V. Lang and J. Innes

North East Derbyshire District Council (NEDDC):-

Councillor Cllr J. Windle

Officers:-

D. Eccles (Joint Assistant Director of Regeneration) (BDC & NEDDC), M. Clinton (Business Manager) (BCN Consultancy), A. Cunningham (Scrutiny Officer) (CBC), S. Broadhead (Overview and Scrutiny Manager) (NEDDC), L. Cheong (Acting Scrutiny Officer) and A. Bluff (Governance Officer) (BDC).

### **81/13. APOLOGIES**

Apologies for absence were received from Councillor B. Ridgeway (NEDDC), R. Turner (BDC) and D. Hawksworth (CBC).

### **82/13. DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

### **83/13. MINUTES – 24<sup>th</sup> JULY 2013**

Moved by Councillor S. Wallis, seconded by Councillor J. Innes

**RESOLVED** that the Minutes of a meeting held on 24<sup>th</sup> July 2013 be approved as a true and correct record.

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### **84/13. SHARED PROCUREMENT UNIT UPDATE**

The Acting Scrutiny Officer gave a verbal update to the meeting regarding the Shared Procurement Unit.

There had been some changes to the Procurement Unit and Key Members of staff had now left the authority. The service was now operating from Bassetlaw District Council and Chesterfield Borough Council were stepping back from the joint arrangements.

### **85/13. INSURANCE ARRANGEMENTS UPDATE**

Members had requested that a case study be prepared by the Joint Assistant Director of Resources in relation to insurance arrangements and that it be sent to parish councils for their information but this had not happened. It was felt there may have been some confusion as to why the information was requested.

It had been suggested that potentially it could be beneficial if two or three parish councils had insurance from one company to help with a less expensive quote.

A discussion took place.

It was agreed that the case study was still needed and this be included on the agenda for the next meeting.

(Acting Scrutiny Officer/Governance Manager/Overview and Scrutiny Manager)

### **86/13. ADDITIONAL URGENT ITEMS OF BUSINESS**

There were no urgent items of business.

### **87/13. EXCLUSION OF THE PUBLIC**

Moved by Councillor S. Wallis, seconded by Councillor J. Innes

**RESOLVED** that the public be excluded from the meeting during the discussion of the following item of business to avoid the disclosure to them of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006).

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### 88/13. BCN CONSULTANCY (BUILDING CONTROL) UPDATE EXEMPT - PARAGRAPH 3

The Joint Assistant Director of Regeneration gave a power point presentation to the meeting regarding an Options Appraisal Review carried out by Urban Vision (an offshoot company of Capita) in relation to the BCN Consultancy (*Bolsover, Chesterfield and North East Derbyshire Consultancy*).

Urban Vision had carried out a review on the current way in which BCN performed to look at ways in which costs could be reduced or income increased. It also sought to identify and review future business models to reduce costs to member authorities and bring resilience to the service.

BCN had vacated premises at Dunstan in July 2012 and moved back to the CBC Offices in Chesterfield Town Hall which had realised a saving of £40,000 over the year

Between 2007/08 and 2012/13 there had been a reduction in income of around 47%. The deficit had been nil in 07/08 and £81k in 12/13. The deficit included redundancy/pension costs for two staff and the working deficit accumulated over three years.

The review had looked at the 2013/14 figures and these were above target.

Issues regarding the service were;

- Cost of service high in relation to income
- Loss of business to Approved Inspectors
- Running significant deficit
- No formal performance/financial management
- No formal customer feedback system in place
- Lack of marketing
- Staff concerned about poor back office systems
- No marketing strategy
- Staff Morale

It was noted that some staff had requested voluntary redundancy and this would be submitted to the Joint Board in early December 2013.

Options for the service were;

Option 1 - Establish a service that delivers minimum statutory services (in/ out sourced),

Option 2 - Continue the service as at present, introducing a self driven improvement plan - secure additional income and reduce contribution,

Option 3 - Expand the consortium, working with a high performing council in Derbyshire, Nottinghamshire or Sheffield,

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Option 4 - Establish a staff owned mutual,

Option 5 - Outsource or form a joint venture with a private sector consultancy,

Option 6 - Outsource or form a joint venture with a private sector contractor,

Option 7 - Continue the service as at present, buying in expertise required to implement and maintain the improvement plan (In-sourcing),

Option 8 - Merge the service to an established local authority "Teckal" group.

Option 9 - Reduce the size of the service to the minimum required by the Council but establish a "top up capacity, resilience and commercial support" partnership with a private sector organization.

Recommended options from Urban Vision were;

Outsourcing – A Local Authority /Commercial Partnership

Staff and service responsibility transfers to a third party with service quality and financial certainty for the councils

OR

The recruitment of a Commercial Manager and capacity support – A rationalised in-house core team and commercial manager with support from a third party. Council have direct control, a core team would help guarantee cost recovery, with the service benefiting from commercial drive and resilience. The size of the core team and support required could vary.

In response to Members questions, the Joint Assistant Director of Regeneration advised that the team had struggled with the declining market and the service had not had the ability to be driven commercially. The second option suggested by Urban Vision of a Commercial Manager would reduce some of the compliment and a restructure would need to take place.

The Business Manager, BCN Consultancy, added that new staff had not been appointed when staff had left and so there had been some natural wastage.

BCN is recognised as a model for joint local authority building control service provision and has been visited by the Head of Building Regulation Division and a senior colleague from DCLG

The current financial position shows a surplus of £25k

Members asked questions to which the Joint Assistant Director of Regeneration and the Business Manager, BCN Consultancy responded.

A lengthy discussion took place.

Members agreed that they would like the BCN Consultancy Service to be kept in house and this be recommended to the Joint Board. Members would also take back

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the Joint Assistant Director of Regeneration's comments and the Business Manager's comments to the Joint Board.

Members further raised that they felt that on this and other issues their Scrutiny role was reactive rather than proactive as information was coming to the Panel too late for them to have any real influence on decision making.

Moved by Councillor Lang, seconded by Councillor S. Wallis  
**RECOMMENDED** to the Joint Board that

(1) the BCN Consultancy Service be kept in house,

(2) a discussion takes place at the Joint Board in relation to how the Scrutiny Panel's role could be proactive rather than reactive as information was coming to the Panel too late for them to have any real influence on decision making.

(Acting Scrutiny Officer/Governance Officer)

The Joint Assistant Director of Regeneration and the Business Manager, BCN Consultancy left the meeting.

### **89/13. DATE OF NEXT MEETING**

The next meeting would be held at NEDDC on 13<sup>th</sup> March 2014 at 2pm.

The meeting concluded at 1455 hours.