

## **SCRUTINY AND OVERVIEW COMMITTEE**

**Minutes of the meeting held on Tuesday 20 December 2011 at 6.30pm in the Town Hall, Croydon**

### **MINUTES – PART A**

**Present:** Councillor Steve Hollands (Chairman)  
Councillors Jason Cummings (Deputy Chairman), Sean Fitzsimons (Vice Chairman), Yvette Hopley and Terry Lenton

**A82/11      APOLOGIES FOR ABSENCE** (Agenda item 1)

Apologies were received from Cllr Humayun Kabir.

**A83/11      DECLARATIONS OF INTEREST** (Agenda item 2)

There were no declarations of interest.

**A84/11      URGENT BUSINESS** (Agenda item 3)

There was no urgent business.

**A85/11      EXEMPT ITEMS** (Agenda item 4)

There were no exempt items.

**A86/11      THE CAPITAL AND PROPERTY STRATEGY** (Agenda item 5)

Sarah Ireland (Director of Strategy, Commissioning, Procurement & Performance), Aiden McManus (Director of Corporate Services), Richard Simpson (Director of Finance) and Steve Wingrave (Strategic Estates Manager) were in attendance for this item.

Officers explained that a twenty year Capital Strategy had been agreed by Cabinet in November 2010, with the Step Change programme being a major component. The Strategy set out how capital would be allocated to fund the necessary transformation of the Council's business. Aligned with this was the Property Strategy that was agreed in September 2011. The Property Strategy identified a number of 'quick wins' where surplus unnecessary assets could be disposed of, as well as a programme of accommodation rationalisation whereby the Council's property portfolio would be redesigned to ensure it was fit for purpose for the new structures and ways of working brought about by Step Change.

Members asked how the Capital Delivery Hub (CDH) would function and whether CCURV (the Croydon Council Urban Regeneration

Vehicle) would be affected. Officers explained that all capital outlay apart from housing would be delivered through the CDH. It was anticipated that centralising capital delivery in one place would help to make the service more professional and efficient. Officers also highlighted that CCURV was a separate company to the Council, so its processes would not be affected. Members sought clarity on how surplus assets were offered to CCURV and were informed that there was an agreed set of criteria against which an asset would be judged (for example whether the asset fulfilled a service need). Once an asset was declared surplus, it would be offered to CCURV regardless of size, although in practice CCURV seldom found uses for the smaller assets.

Members of the Committee noted that the proposals in the report would not lead to a reduction in posts, but that they may result in redundancies. Officers explained that the CDH required certain specialist skills and that the Council currently had some already in-house, would need to recruit for others and would also be buying some additional support on short-term contracts.

The Committee discussed the Council's existing leasehold commitments and commented that a holistic view was necessary to consider the complete portfolio and the Council's requirements. Officers agreed and reported that all leases were being considered closely and were being reviewed at every opportunity when they expired or reached break points. Members were also informed that the Council was involved in around 30-40 leases, with approximately 20 being reviewed in the forthcoming two years. When a lease was reviewed, the services were challenged to justify why they needed to extend the existing lease. If the service did not have a specialist requirement to continue the lease, those staff were being relocated in either Taberner or Davies House (and then later into Bernard Weatherill House) and the asset was judged to be surplus and disposed of. Officers emphasised that the capital gateway process ensured that a corporate-wide overview was applied to the property portfolio to ensure effective and efficient use of resources.

Members of the Committee highlighted the four reasons listed in the Property Strategy when the Council would consider acquiring land or property (for example to contribute to delivery of services). It was asked whether additional criteria such as income generation were considered, and also whether the Council would buy properties that other developers would not want, as a means of regenerating an area. Officers explained that the four criteria provided an initial baseline assessment for all property before further examination. It was also reported that there could potentially be instances whereby the Council renovated properties at a loss for community benefit, but the property strategy was designed to ensure such instances were justifiable.

The Committee noted that as part of the Government's drive for community empowerment, there would be many community groups

interested in purchasing and running Council-owned community assets. Members noted that the work of community groups would often result in the market value of the building increasing as the group were likely to carry out maintenance. It was therefore asked whether this contribution would be taken into account if and when a group attempted to purchase an asset. Officers explained that the Council wouldn't necessarily seek to capitalise on the work of community groups, although it was obliged to seek best value in any transaction. There remained some flexibility that allowed the Council to take such factors into account, and each case would be considered on its own merits.

Members noted that the asset review and categorisation described in the property strategy did not include primary or secondary schools. They asked therefore how educational needs would be impacting and influencing the property strategy. Officers explained that there was a separate asset management team for the educational estate that addressed educational needs. However the two teams worked together to ensure the corporate portfolio and the educational estate were used in conjunction to ensure there were no missed opportunities.

The Committee also discussed the Clocktower and highlighted that such a large building was not currently operating at capacity. Officers were asked what efforts were being made to sell or make use of the available space. Members were informed that a range of solutions were being considered to ensure maximum use of the facility. For example some soft market testing had been conducted which had confirmed commercial interest in buying some of the space. Similarly other options such as using the space for CALAT (Croydon Adult Learning and Training) or making it available for community groups were also being explored.

Member involvement in the disposal of assets to CCURV was also discussed. Members argued that ward members should be consulted as part of the disposal process so that any community value of the asset and the needs of the local community could be taken into account. Officers explained that the democratic process was incorporated via the Corporate Services Committee, where members considered whether to dispose of an asset. If they did so, then the asset was offered to CCURV, which then decided if it wanted the asset before forming development plans. However it was recognised that ward members could have a useful contribution in highlighting the community interest. It was agreed that officers would consider how ward member consultation could be included in the asset disposal process.

*Richard Simpson (Director of Finance) declared a personal interest as a Board Member of CCURV*

The Committee discussed the age and condition of the property portfolio and the required maintenance to ensure all buildings were fit

for purpose. It was noted that the property strategy identified an estimated £32.5million of required repairs to the portfolio, £6.5million of which were urgent and essential. It was also emphasised that there was currently an imbalance between spend on reactive and planned maintenance, an indicator of a poorly planned maintenance strategy. Officers explained that there was a significant backlog of repairs to what was an aging estate. However the figure quoted was an estimate of what would be required to ensure a 'perfect' estate. The Council was therefore responding to budgetary pressures by focussing resources on maintenance that ensured property was safe and functional. It was also noted that the maintenance requirements were improving with future liability decreasing.

At the invitation of the Chairman, a member of the public asked for confirmation of the timescale of the Capital Strategy, and whether re-mortgaging Taberner House was an option rather than knocking it down to make way for a new building. Officers confirmed that the Corporate Strategy was effective from 2010 to 2030 and explained that Taberner House was now part of CCURV and as such re-mortgaging was not an option. A planning application for the development of the Taberner House site was expected in the next quarter at which point there would be public consultation on future use as part of the usual planning process.

The Committee thanked officers for their attendance and agreed that no recommendations be made.

#### **A87/11      PERFORMANCE MANAGEMENT FRAMEWORK (Agenda item 6)**

Sarah Ireland (Director of Strategy, Commissioning, Procurement & Performance) and Martin Ellender (Head of Strategy & Performance) were in attendance for this item.

Officers explained that the Coalition Government had dismantled the previous statutory performance management framework when it had come to power and had given local authorities much more freedom to decide what their priorities were and how performance should be measured. The Croydon Counts framework had therefore been realigned to focus on resident and customer priorities and was a mixture of existing and new performance indicators. Members queried the format of the Croydon Counts report and highlighted that if the report was intended to help residents hold the Council to account then they needed to be able to understand it. Officers explained that this format of the report was designed for internal use and that the data was presented in a much more reader-friendly format via *Your Croydon*.

The Committee questioned how the Council's performance was being monitored, citing the number of affordable homes delivered as an example where the report could be misleading. Members argued that the 'green' RAG rating and upward arrow indicating an improving 12

month trend was not a true representation as the previous year's outturn was 722 homes. The year to date figure however was only 224, which exceeded the year to date target of 100, but was still significantly lower than the previous year's performance. The Committee suggested that there could not be an upward trend against this indicator and that the setting of a low target was undermining the statement of success. Officers explained that the upward trend indicated improved performance at the corresponding time in the previous year. Members asked then if this meant that a significant portion of the 722 homes built in 2010/11 were built in the final quarter and officers undertook to clarify. It was also noted by officers that the intention had been to make the document as accessible as possible and that therefore it had been decided not to include certain information. Officers agreed to take on-board any comments and to try to improve the presentation of the data.

Members of the Committee asked how the key performance indicators had been chosen, with indicators on the delivery of housing suggested as an under-represented area. Officers explained that the priorities of residents and customers were identified and agreed by Cabinet, and the performance indicators to be monitored were devised accordingly. Officers also agreed to take note of member feedback when Croydon Counts was refreshed in the New Year. Members were invited to email officers with specific comments early in 2012, although it was noted that ultimately any changes would need to be approved by Cabinet.

The Committee asked whether the reliance on statistical data gave members of the public a meaningful reflection of the Council's performance and how the information and performance was communicated to the public. Officers explained that Croydon Counts was a performance report that fed into communication strategy. It identified successes so that officers could then work with colleagues in the communications team to determine the best method of reporting the findings to members of the public. Members also asked how the evidence of poor performance was communicated, and officers explained that the commentary in Croydon Counts gave context and information on remedial action being taken by the Council.

Members of the Committee suggested that it would be useful to 'clean' the data to remove the distorting effect of one-off in-year events (such as the August riots) to reveal the underlying trends. It was also suggested that it would be beneficial to place the data into context by showing comparisons with other authorities so that residents could understand easier whether the Council was doing a good job. Officers thanked members for their suggestions and agreed to consider them.

The Committee thanked officers for their attendance and agreed that no recommendations be made, although members with specific feedback on Croydon Counts would contact officers directly.

**A88/11**

**SCRUTINY WORK PROGRAMME FOR 2011/12 (Agenda item 7)**

The Committee received a report from the Director of Democratic & Legal Services that presented the proposed Work Programme for the remainder of the year. The Member Services Manager (Scrutiny) also informed members that the date of the next meeting had been changed to 24<sup>th</sup> January 2012 and that the Committee would now not be meeting on 9<sup>th</sup> February 2012.

**RESOLVED –**

The Committee agreed the change to the date of the next meeting and noted the upcoming agenda items as listed in the Work Programme.

**A89/11**

**UPDATE FROM THE SUB-COMMITTEES (Agenda item 8)**

The Committee received a verbal update from the Chairmen of the three Scrutiny Sub-Committees. Cllr Cummings reported that the Neighbourhood Watch Task & Finish Group was currently developing its final recommendations, which it would be sharing with the Cabinet Member soon. Cllr Cummings also informed the Committee that the Community Services & Safety Sub-Committee had recently completed its investigations into the Family Justice Centre. Cllr Fitzsimons explained that the next meeting of the Health, Social Care & Housing Sub-Committee would be taking place at the Bethlem Royal Hospital and considering services provided by SLaM (the South London and Maudsley NHS Foundation Trust) and responding to the Housing Strategy consultation. At its previous meeting, the Sub-Committee discussed the patient experience at Croydon University Hospital, over which some questions and concerns remained, so the topic may be revisited in future. Cllr Hollands reported that the Education Sub-Committee had not met since the previous SOC meeting but that the Task & Finish Group looking at the impact of new academies and free schools was underway.

**A90/11**

**DATES OF FUTURE MEETINGS (Agenda item 9)**

Future meeting dates of the Committee were agreed as follows:

- 24<sup>th</sup> January 2012
- 11<sup>th</sup> April 2012

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**PART B**

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None

The meeting ended at 7:51pm