

OVERVIEW AND SCRUTINY COMMITTEE

Monday, 12 August 2019

Present: Councillor Chris Woodward (Chairman)
Councillors Mrs Soyke (Vice-Chairman), Bruneau, Chapelard, Hayward, Morton,
Pound, Reilly, Stanyer and Thomson

Officers in Attendance: David Candlin (Head of Economic Development and Property), Ian Hirst (Head of Digital Services and Communications), Michael Josh (Project Manager, Business Delivery Unit), Gary Stevenson (Head of Housing, Health and Environment) and Mark O'Callaghan (Scrutiny and Engagement Officer)

Other Members in Attendance: Councillors Ellis, Podbury and Willis

APOLOGIES FOR ABSENCE

OSC12/19 Apologies were received from Councillors Bailey and Ms Palmer.

DECLARATIONS OF INTEREST

OSC13/19 There were no disclosable pecuniary or other significant interests declared at the meeting.

MINUTES OF THE MEETING DATED 01 APRIL 2019

OSC14/19 Members reviewed the minutes. No amendments were proposed.

RESOLVED – That the minutes of the meeting dated 01 April 2019 be approved as a correct record.

MINUTES OF THE MEETING DATED 10 JUNE 2019

OSC15/19 The Chairman noted that Councillor Dr Hall had advised him that she was in attendance as a Visiting Member but this had been omitted from the minutes.

RESOLVED –

1. That the Members in Attendance be amended to add Councillor Dr Hall; and
2. That, subject to the above amendment, the minutes of the meeting dated 10 June 2019 be approved as a correct record.

ITEMS CALLED-IN UNDER OVERVIEW AND SCRUTINY PROCEDURE RULE 13

OSC16/19 There were no items which had been called-in under Overview and Scrutiny Procedure Rule 13.

At the Chairman's request, Mark O'Callaghan (Scrutiny and Engagement Officer) advised that the Overview and Scrutiny 'call-in' procedure related to the ability of the Overview and Scrutiny committee to examine executive decisions prior to their implementation. This was distinct from the Planning call-in procedure. Details of the procedure were set out in the Constitution and summarised on all executive decision notices.

CALVERLEY SQUARE DEVELOPMENT UPDATE

OSC17/19 David Candlin (Head of Economic Development and Property) provided a verbal update, illustrated by a visual presentation, which included the following comments:

- Officers were in the process of receiving and collating RIBA Stage 4 reports from the project managers Avison Young.
- Final reports would be published following a meeting with contractors Mace around the turn of the week.
- Full, un-redacted reports were expected to be available to members in week commencing 26 August.
- An All-Member briefing would be held on 28 August 2019 followed by a meeting of the Development Advisory Panel on 29 August 2019.
- Public documents would be published on 28 August 2019 ahead of the Cabinet Advisory Board meeting on 5 September 2019.
- Councillors Scott and Dawlings would also be arranging various meetings of the cross-party work group agreed by Full Council.
- Further meetings would be held with Parish Chairmen on 3 September 2019 and Town Forum on 12 September 2019. Meetings with Royal Tunbridge Wells Together and Friends of Calverley Ground were to be arranged.
- RIBA Stage 4 reports were expected to follow a similar pattern to the Stage 3 reports and would include a covering report followed by sub-reports covering Calverley Square Development, Civic Complex Feasibility and Project Financials.
- The reports would be considered by Cabinet on 12 September 2019 ahead of Full Council on 25 September 2019.

Discussion included the following points:

- Details of any value engineering would be included in the report to Council. Any such works did not affect the approved planning permission or undermine the objectives of the development.
- Recent Avison Young project reports had not been seen by the Auditors in the preparation of the annual accounts. The Auditors reports were retrospective.
- Civic Complex Feasibility would cover the existing Town Hall, Assembly Hall Theatre, 9-10 Calverley Terrace and the Police Station. Crescent Road car park was not within its scope.
- Calverley Square Development would cover the new offices, underground car park, theatre, public realm and landscaping within Calverley Grounds.
- The current project RAG status was red. The status was for the project as a whole and it was not possible to apportion any particular impact from any value engineering that may occur or have occurred.
- The Council's Auditors had signed off the RAG status for the previous year as green, which this year had changed to red. The change may have implications for the value for money statement and a request should be made to the Audit and Governance Committee for this to be revisited.
- The precise wording of the decision to be made was to be determined but would likely be a recommendation to take account of the latest information and progress the project through to completion.

- Legal costs associated with the Compulsory Purchase Order Enquiry were funded from the Calverley Square Reserve.
- Not all aspects of the project were risk rated red and some aspects were by their nature red by default. As at 31 March 2019, risks were identified, mitigation was in place and the project was on track. Therefore, the overall status was green.
- The budget for the project of £90m was agreed by Full Council. If value engineering was taking place then the forecast must be for more the £90m and Full Council should authorise budget changes. A lack of engagement with the Development Advisory Panel (DAP) cast doubt over the legitimacy of the process.
- Full Council resolved that the DAP would be engaged at 'appropriate points during the process', meaning from decision to completion in 2022. The Council was currently proceeding through a detailed process in order to get to a position where substantive plans could be brought to the DAP.
- The Constitution was clear on the decision-making processes and the Leader was expected to confirm this at Cabinet on 15 August 2019.
- The terms of reference for the DAP, which indicate quarterly meetings, were set up for a development programme established in 2013, not specifically the Calverley Square project. Therefore, its lack of meetings did not impact on the risk status of the project. Questions as to the frequency of meetings should be addressed to the Leader.
- Officers were working to an agreed timetable, the decision making process was necessary to enable commencement in January 2020. The process was at the end of the first of a two stage design-and-build contract but there was no contractual obligation to proceed at this stage.
- Additional design work, value engineering and programme amendments agreed with Mace had delayed the completion of the RIBA Stage 4 reports.
- Assurances that Full Council would have the final decision on Calverley Square had been undermined by comments by the Leader in the press that nothing could be done to stop the project, this and other perceived failings undermined confidence in the Leader and governance processes. Members needed confidence from the Auditors that statements they made previously still stood.
- Had the Auditors had sight of the Avison Young reports their decision may have been different.
- The project was live. The evidence that was available at the end of 31 March 2019 did not highlight anything necessarily untoward in the overall elements. New information would always come forward, potentially until completion in 2022. There will always be elements that need to be under review.
- Cabinet on 01 August 2019 had failed to guarantee that a final decision would be taken by Full Council, this undermined trust.
- The wording of the Full Council resolution to request the Full Council take the final decision had deliberately been changed to make it conditional. A Full Council resolution should be binding. Councillors, as trustees of the public purse, had a responsibility to hold decisions makers to account.

RESOLVED –

- 1) That the update be noted;
- 2) That the Leader of the Council be invited to confirm the decision-making process of the Calverley Square project, which should include a final decision being made by Full Council, as a matter of urgency; and
- 3) That the Chairman of the Audit and Governance Committee be invited to ascertain whether the External Auditor still stands by the 2018/19 Audit Findings Report given:
 - a) A change in the Calverley Square performance RAG rating since 31 March 2019; and
 - b) That the Development Advisory Panel had not yet been engaged on Calverley Square as recommended by Full Council resolution on 6 December 2017 (FC50/17) which stated: (9.) That the Development Advisory Panel is engaged as appropriate during the delivery of the work and that an outline programme of engagement is developed with wider Council members, stakeholders, community groups, businesses and residents.

PROJECT RAG STATUSES

- OSC18/19 Ian Hirst (Head of Digital Services and Communications) and Michael Josh (PMO Lead and Project Manager) provided a verbal update, illustrated by a visual presentation, which included the following comments:
- The Programme Management Office (PMO) was responsible for:
 - coordinating the various projects through standardised reporting;
 - providing prioritisation analysis requested by the Programme Board;
 - advising Project Leads on best practice; and
 - training officers in project management.
 - The PMO reported to the Programme Board consisting of the Directors, HR, Mr Hirst, Mr Josh and other Project Managers as appropriate. The Board met monthly, its remit included:
 - Agreeing project initiation;
 - Monitoring progress through standardised highlight reports;
 - Resource planning;
 - In-depth project review; and
 - Communication.
 - The PMO and Board did not micro-manage each project and did not change the scope of the project. Each project would have its own procedures for dealing with governance issues.
 - Potential new projects are presented to the Board through a 'Gate-Zero Document' which sets out a summary of the project and its potential impact. If initiated, the Board may then monitor the project depending on its risk factors, taking account of financial and reputational risks.
 - There were currently 25 projects being monitored by the Board – including external project such as Calverley Square, The Amelia Scott and Public Realm plus internal projects including Modern Ways of Working and New A/V equipment for the Council

Chamber. There was a considerable amount of information being collated.

- Standard reports contained the current Red/Amber/Green (RAG) status with a descriptive narrative, an outlook RAG status and the measures needed to achieve the outlook status. The reports also identified key milestones and a summary of the major risks.
- RAG ratings were a common methodology representing the overall health of the project:
 - Green – the project was generally in good health and progressing on track
 - Amber – some issues were occurring but resolution was possible
 - Red – significant blocks had materialised and progress could not be made
- Statuses were often more affected by the existence of effective management or mitigation plans rather than the content of any such plan. For example, If a project could demonstrate that its risks were being managed, even if those risks were great, the RAG status may be low.
- Guidelines existed to ensure RAG statuses were applied consistently but there was no quantified standard, some personal interpretation may apply.
- Project Leads, not the PMO, determined the RAG status of a project. Programme Board could challenge a status and make suggestions.
- Project reports were a snapshot in time, there could be a lead time of 2-3 days to produce the reports.
- The PMO offered best practice advice on project management and there were several methodologies available depending on the size and nature of the project, including:
 - A variant of the 'Prince2' model was commonly used
 - 'RIBA Stages' were usually used for construction projects
 - 'Agile' methodology was often used for digital projects

Discussion included the following points:

- Project statuses confirmed that due process was being followed.
- It would be for the Project Board to determine the accuracy and content of the items included on the RAG status, including whether there were sufficient mechanisms in place to manage identified risks.
- The various stages of project planning were to ensure all aspects of the project were in place prior to commencement. The final gate of 'go live' was the end of the project stage. Delivery of the new service was usual business.
- The Programme Management Office (PMO) does not determine the RAG status for a project – it would be for the Project Team (Project Manager, Scheme Promoter, Project Board etc.) to decide the RAG status.
- Where a project was being reported as red without due explanation the PMO may seek further information. The Programme Board may challenge the status should it not match expectations.
- Given the scale of some of the projects underway, consideration should be given to the employment of a Project Accountant.

- There was a lack of member involvement in the governance process, members were asked to endorse projects with limited information and problems were only made public long after they arise. It was suggested that one of the Members be included on the Project Board for projects and that it should meet on a monthly basis.
- The Programme Board did not publish details of projects – both current or those that had not cleared 'Gate Zero'. A summary pack was sent to the Leadership Board but it only showed those that were reporting Amber or Red.
- There were also ongoing projects that were too small to be monitored by the Programme Board.
- There was interest in knowing how many projects over the last 2 years that did not progress and in particular if that lack of progression was due to resource issues.
- The number of projects stopped, aside from those agreed, was often a good indicator of the health of project management systems.
- Determining whether a project was to be monitored by Programme Board was not always about financial risk. Reputational risk was also something that was important to consider, particularly with respect to GDPR compliance which also had significant financial risks.
- Calverley Square project was already underway when the PMO was established.
- A template business case existed that was used by scheme promoters to consider all the aspects of their Business case but it didn't include any constraints or measures to what was acceptable or unacceptable. Each Business case was considered on its own merits.
- Programme Board reports did not involve an Auditor.
- It would be from the Programme Board to decide whether the PMO got involved with re-examining aspects of the Calverley Square scheme.
- Political risk was not a standard field on the report template but officers on the Programme Board would be attuned to any likely political risk that may be associated with a project. If a project was deemed to have political risk it would be for the Project Board to assess and if necessary refer it to the appropriate Committee.
- It was for the Project Board to decide what information was disseminated to Councillors and in turn members of the public.
- There was concern that Members had little knowledge of the current list of projects currently underway, both generally and in totality, and in particular those with implications within their own areas of responsibility. Would like an action that would allow better access to this information.
- Concern that there was a gap in the Governance process and requested that consideration be given to appointing somebody independent from the Cabinet that would be directly involved with the key projects – suggested that this should be a person from the Audit and Governance Committee.
- Members should have sight of the 25 projects currently underway and that consideration be given as to the best way of achieving this.

- Overview and Scrutiny Committee had the remit for full disclosure of all relevant information
- Attention should be given to receiving project governance information and that it should be considered as a work programme item for the future.

RESOLVED –

- 1) That the update be noted; and
- 2) That officers be asked to consider how to improve access to project governance information, in particular:
 - a) regular project status updates of all projects currently underway; and
 - b) member representation on Programme Board meetings.

PARKS AND GARDENS MAINTENANCE CONTRACT TASK AND FINISH GROUP

OSC19/19 The Chairman brought forward this item on the agenda.

Gary Stevenson (Head of Housing, Health and Environment) provided a verbal update which included the following comments:

- The Task and Finish Group had been established to review the grounds maintenance contract which was due to be procured shortly. It was an opportunity to look at the current contract and consider what might need to be changed for the future.
- A couple of meetings had already taken place to look at the current contract and consider what elements the Task and Finish Group could look at that would add value to the procurement process for the Council and its assets.
- The contract covered Royal Tunbridge Wells town area, but not the Parish areas (with the exception of a small part of Rusthall). It included Council sports pitches, gardens, grounds, parks and the grounds maintenance at the Cemetery and Crematorium.
- Current contract covered a 10 year period with a value of about £900,000 – the new contract would start in January 2021.
- The working group is to:
 - look at the current specification to establish whether it was fit for purpose;
 - look at measures that would help the Council's declaration to becoming carbon neutral; and
 - look at how quality control would be carried out.
- Other considerations would include a decision on the length of the contract and the feasibility of breaking it up into different (smaller) packages.
- In taking this forward over the next 4 months there would be engagement with Board Members. In addition, meetings with fringe groups and sports clubs in order to get their views on current facilities and to identify any future aspirations. This work would then be fed back to be included in the specification and tender documentation that would be issued early in 2020.

Discussion included the following comments:

- Enhancements to parks etc. was not included as part of the contracts remit, but Members, should they wish to do so, could

approach partners to discuss this sort of work (sponsorship). However, if an enhancement of this kind were to take place, it would be possible to add the maintenance of it as part of the contract specification – but it would be subject to budgetary constraints as there was no projected growth in the expected value of the new contract.

- The assumption was to contract out rather than to look in-house, but agreed that this option could be considered.
- There was no headroom in the current budget to take on new parks, gardens etc. But through the planning process if new sites were identified Section 106 money would be used to cover initial maintenance, the Council could then pick it up after this period. There would be an opportunity to include a variance in the contract to cover such events.
- Parks and gardens covered the larger areas of land throughout the town owned by the Council. There were a variety of owners for the smaller areas of land, including, Town and Country Housing and Kent County Council. The Council would always endeavour to co-ordinate to ensure areas were not missed.
- Would like a third member for the Task and Finish Group – who didn't have to be a member of this Committee.

RESOLVED – That the update be noted.

CONSULTATION AND ENGAGEMENT TASK AND FINISH GROUP

OSC20/19 Councillor Hayward introduced the report.

Discussion included the following points:

- The aim of the Task and Finish Group was to produce a policy that clearly defines the expectation of Officers and Members around consultation and engagement with the public and that there should be a standard by which that performance would be measured.
- It was still in the very early stages but an initial scoping meeting had taken place and it was the view that a draft public engagement and consultation process would be available for consideration by the end of 2019.
- It was important that engagement and consultation allowed the opportunity for all stakeholders to shape events and where views could then be considered as part of the decision making process.

RESOLVED –

- 1) That the report be noted;
- 2) That Councillor Hayward be appointed Chairman of the Task and Finish Group; and
- 3) That the Task and Finish Group objective to draft a Public Engagement and Consultation Policy be agreed.

WORK PROGRAMME

OSC21/19 Discussion included the following points:

- The issue of project RAG status and project governance required further attention but there was concern about available resources to manage another Task and Finish Group.
- A request could be put to the Audit and Governance Committee to undertake this work. There was a preference that it stayed with the Overview and Scrutiny Committee but that there might be an option to collaborate.
- Issues relating to the Calverley Square project (aforementioned request to the Audit and Governance Committee relating to the project RAG status and the request to the Leader to clarify the decision making process on the project) would be prioritised and any wider issues pursued at a later date.
- To avoid the potential undermining of the Development Advisory Panel by the leadership it was important to clarify the membership. Details appeared to be missing from Full Council papers. Membership of the Development Advisory Panel was appointed by Cabinet at the annual meeting and was confirmed as Councillors McDermott (Chair), Dawlings (Vice Chair), Chapelard, Fairweather, Hayward, Hill, Horwood, Podbury, Scott and Mrs Soyke.
- The Development Advisory Panel meetings did not publish their minutes. A request was made for them to be published.

RESOLVED –

- 1) That the work programme be noted;
- 2) That, notwithstanding the existing actions relating to the Calverley Square project, further work on the wider issues of project RAG statuses be scheduled for a later date after the decision on Calverley Square; and
- 3) That enquiries be made concerning the publication of the minutes of Development Advisory Panel meeting.

URGENT BUSINESS

OSC22/19 There was no urgent business.

DATE OF THE NEXT MEETING

OSC23/19 The next meeting was scheduled for Monday 7 October 2019.

NOTE: The meeting concluded at 8.35 pm.