OS141
FOR DECISION
WARD(S): ALL

THE OVERVIEW AND SCRUTINY COMMITTEE

22 February 2016

EXTRACTS FROM MINUTES OF CABINET HELD 18 FEBRUARY 2016

REPORT OF HEAD OF LEGAL AND DEMOCRATIC SERVICES

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RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

This report sets out extracts of the minutes of Cabinet held 18 February 2016, with regard to consideration of the Silver Hill: Independent Review Recommendations report (CAB2779).

Other extracts from minutes of Cabinet held 18 February which are due for consideration at The Overview and Scrutiny Committee are contained within Council Report CL125, elsewhere on the agenda.

RECOMMENDATION:

That The Overview and Scrutiny Committee consider and make any necessary decisions on the matters contained in the minute extracts.

THE OVERVIEW AND SCRUTINY COMMITTEE

22 February 2016

EXTRACTS FROM MINUTES OF CABINET HELD 18 FEBRUARY 2016

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1. **SILVER HILL: INDEPENDENT REVIEW RECOMMENDATIONS**
(Report CAB2779 refers)
MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE – SPECIAL MEETING HELD ON 10 FEBRUARY 2016
(Report CAB2781 refers)
MINUTES OF THE SPECIAL AUDIT COMMITTEE HELD 10 FEBRUARY 2016
(Report OS140 refers)

Cabinet noted that the Reports CAB2781 and OS140 had not been notified for inclusion on the agenda within the statutory deadline. The Chairman agreed to accept the items onto the agenda as a matter requiring urgent consideration to enable the related minutes of meetings contained therein to be considered alongside CAB2779.

The Chairman stated that he proposed that the recommendations set out in the Independent Review Report be accepted and Cabinet consider how best to move forward and seek ways to improve the Council's work in the future. He noted that both The Overview and Scrutiny Committee and Audit Committee at their special meetings had highlighted that they required additional time in order to properly consider the recommendations. He believed this was a sensible approach as it was necessary to give due consideration and not rush a response. Consequently, he was not proposing that Cabinet make any recommendations to Council at this stage, but await further recommendations from both The Overview and Scrutiny Committee and Audit Committee following further consideration at their forthcoming meetings.

The Chairman reported that Councillor Gottlieb had expressed concern about the comments made in the Independent Review Report about an issue raised with Ms Lloyd Jones that he might have potential conflicts of interest and her suggestion that this needs to be investigated. The Chairman highlighted that Councillor Gottlieb had expressly stated in public meetings that he had no business conflict of interest affecting Silver Hill. It would be very difficult to investigate an unsubstantiated comment arising in the Independent Report and to prove that there was no conflict. However, as Leader, he was happy to re-state that to the best of his knowledge that there was no conflict and to accept Councillor Gottlieb's re-assurances to this effect. In these circumstances, he did not consider there was a need for an investigation and it was important that the Council moves forward.

At the invitation of the Chairman, Councillor Simon Cook (Chairman of The Overview and Scrutiny Committee) provided a brief update on the special meeting held 10 February 2016. He believed that the minutes (as contained within Report CAB2781) gave a good summary of the comments made. The recommendations of the Independent Review Report would be examined again and he commented that the Committee would be asked to consider refining their contents. With regard to a comment in the Review Report regarding professional officers, he believed the question should be whether the Council had sufficient professional officers available. In addition, the recommendation to review the Council's public consultation strategy was useful (although the criticisms in this area were not all necessarily accepted). He also noted that in her presentation, Ms Lloyd-Jones had accepted that there were additional witnesses she might have interviewed, had time permitted.

It was noted that the minutes of The Overview and Scrutiny Committee should be corrected to include Councillors Byrnes, Read and Weston as being in attendance.

The Chief Executive commented that discussion at the two special Committee meetings had tended to focus on the contents of the Independent Review Report, rather than specifically on its recommendations. Report CAB2779 was intended as a starting point for consideration of these recommendations. However, as it was produced prior to the special meetings, it did not take account of the comments made at these meetings and in particular, the wish of the Audit Committee to take on responsibility for governance matters.

During public participation, Patrick Davies addressed Cabinet and in summary, expressed concern that the Independent Review's Recommendations would become lost between considerations by different meetings. He also alleged that the Conservative Members of The Overview and Scrutiny Committee meeting on 10 February appeared to have statements prepared by other members of the Group, possibly Cabinet, which, it true, undermined the independence of the scrutiny function. He queried what the role of scrutiny would be in this matter?

The Chairman expressly denied that The Overview and Scrutiny Committee Members were given prepared statements by Cabinet members. The recommendations within the Review Report were a matter for the whole Council and it was proposed that the relevant Committees and Cabinet would work together to deliver action for the future. He acknowledged that this might take some time, but any suggestion that recommendations would be ignored or lost was not true.

At the invitation of the Chairman, Councillors Thompson and Laming addressed the meeting and their comments are summarised below.

Councillor Thompson welcomed the proposal to accept the Independent Review's Recommendations, but also expressed concern about the manner

that Conservative Members appeared to treat the report at the special meeting on 10 February. She requested that a clear timetable for addressing the recommendations should be agreed. It was essential that the Council win back public trust and to do so in must change the way scrutiny was undertaken and become more open and transparent. She was concerned that the responses in 6.1.1 of CAB2779 Appendix 1 appeared to suggest decisions on the future of Silver Hill would be rushed through. In relation to 6.1.2 of the Appendix, she queried whether it was appropriate to give responsibility to the Cabinet (Major Projects) Committee which had only met once. With regard to 6.1.3 she expressed concern that the issue was about the lack of sufficient professional officer capacity at the Council. With regard to 6.1.8, she believed that how the Council engaged with the public was crucial, and the numbers of public meeting was irrelevant compared to the manner of engagement and response. Finally she questioned why it had taken three years to implement the recommendations of the Peer Review.

Councillor Laming also welcomed Cabinet's intention to accept the Independent Review Recommendations and concurred with comments by Patrick Davies and Councillor Thompson regarding the approach of some Councillors at The Overview and Scrutiny Committee meeting on 10 February. He highlighted that previous recommendations regarding the improvement of the scrutiny process had been prepared by Councillor Simon Cook, but had not received cross-party support.

The Chairman reiterated comments made at the previous Cabinet meeting on 10 February that some decisions on Silver Hill were required in the short term, for example in relation to the Council's put option on a number of properties. However, any decisions on the development of the site in the longer term would not be rushed into. The Council should not seek to make decisions on the future of the site without finding out what Winchester and the market would support. With regard to the response to the Independent Review Report recommendations, Cabinet would respond to recommendations from The Overview and Scrutiny Committee and Audit Committee with a resourced and timed action plan. Recommendations of the Peer Review were considered by The Overview and Scrutiny Committee at the time.

During discussion, Members commented that The Overview and Scrutiny Committee should consider the recommendations contained within CAB2779 and the Independent Review report. It was suggested that the Committee re-examine the fundamentals of the scrutiny process (including pre/post scrutiny) and consider their own future training requirements. Current and future challenges should be fully understood, together with commissioning and procurement policies.

Cabinet then considered the suggested responses to the Review Recommendations as set out in Appendix 1 to CAB2779. Comments made and changes suggested are set out below:

- **Reference 6.1.1** – No change required as it was considered this offered necessary flexibility on long-term consideration of options for Silver Hill and the Leader confirmed that this was the intended approach.
- **Reference 6.1.2** – The use of the Cabinet (Major Projects) Committee to take forward was welcomed. Comments from The Overview and Scrutiny and Audit Committees were also needed.
- **Reference 6.1.3** – The Chairman highlighted that an early response from The Overview and Scrutiny and Audit Committees on this point would be welcomed if Local partnerships' advice was to be sought by April 2016. In addition, there should be an understanding about the limitations of the Council as a relatively small authority. It was proposed that temporary project specialists be engaged, as required.
  The Chief Executive advised that at the special meeting on 10 February, Ms Lloyd-Jones had clarified one of the sentences contained within her report and stated that the final sentence of Page 32 of Report should have been preceded by words in italics "*It has been suggested to me that* [N]either the Council, nor its officers, was equipped in skills or experience to have negotiated a successful outcome to this situation."
  However, he acknowledged that this did not preclude the requirement to examine capacity issues within the Council.
- **Reference 6.1.4** – The Chairman said that The Overview and Scrutiny Committee should be asked for its views on how to prevent any future suggestion that the Council was hostile to competition. At the invitation of the Chairman, Councillor Simon Cook commented that this might be a question of perception and publicly explaining why it might be preferable in some circumstances to undertake a direct negotiation rather than going out to negotiation.
- **Reference 6.1.5 and 6.1.6** – The Chairman suggested that a register of external advice be maintained and available. The Portfolio Holder should be required to approve any request for expenditure on external advice, subject to a de minimis rule.
- **Reference 6.1.7** – the Chairman suggested that improved use could be made by Councillors of the Council's covalent system. All major projects were now managed through the Project Office.
- **Reference 6.1.8** – the Chairman proposed that The Overview and Scrutiny Committee and Audit Committee consider agreeing a review of the status of all significant exempt reports, especially major projects, after a period of 12 months to ascertain whether they should remain exempt. The expectation should be that suchl reports would at that point become open, unless there were good reasons to the contrary such as Personnel issues.
  To counter points raised about "secret meetings", the Chairman proposed that the diaries of all Cabinet and Corporate Management Team (CMT) be made open (subject to some necessary exceptions which would be clearly stated).
  Cabinet noted that a vast amount of information was already available on the Council's website for the public, but it was acknowledged it was sometimes difficult to find. Work was ongoing to improve this and feedback from the public or other Councillors would be welcomed.

- **Reference 6.1.9** – referred to Appendix 2 and 3 of the Report.
- **Reference 6.1.10** – proposed actions noted.
- **Reference 6.1.11** - It was suggested that, subject to resources, quarterly public information sessions be organised, possibly around the District. The Overview and Scrutiny Committee should examine how the Council could improve its communications.
- **Reference 6.1.12** – It was suggested that rather than a review of the whole constitution, The Overview and Scrutiny Committee and Audit Committee should highlight which specific sections required examination. With regard to changes to Committee reports, a balance needed to be struck between giving sufficient information to enable a decision and too detailed reports. Methods of improving Councillors' access to previous Committee decisions could be examined.
- **Reference 6.1.13** – Response noted and highlighted that more Councillors be encouraged to attend training sessions.

With regard to Appendix 2 of the Report, the Chairman suggested that The Overview and Scrutiny Committee be asked to examine the original Peer Challenge report and consider what further actions were required. The Chief Executive advised that he anticipated a new Peer Review would be undertaken later in 2016/early in 2017. That review would be able to consider the Council's response to the Independent Review Report recommendations.

With regard to Appendix 3, the Chairman suggested that The Overview and Scrutiny Committee be requested to schedule a formal review of progress in June/July 2016. A key aspect related to changes on risk management and Audit Committee was urged to continue focussing on work in this area.

At the invitation of the Chairman, Councillor Simon Cook stated that it might be necessary to establish an Informal Scrutiny Group to examine the recommendations in more detail, possibly including input from a Cabinet Member.

Cabinet agreed to the following for the reasons set out above, in the exempt minute and as outlined in the Report.

RESOLVED:

1. That the Independent Review's recommendations be accepted and that Cabinet's initial comments and considerations outlined above be considered by The Overview and Scrutiny Committee and Audit Committee.

2. That the further comments and recommendations made by The Overview and Scrutiny Committee and Audit Committee at their special meetings on 10 February 2016 be noted.

3. That no recommendations be made to Council at this stage on the actions arising from the Independent Review to enable further work and consideration of its contents to be undertaken.