



Minutes

FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE

**MINUTES OF THE FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE
HELD ON TUESDAY 29 SEPTEMBER 2015, IN MEZZANINE ROOM 2, COUNTY HALL,
AYLESBURY, COMMENCING AT 10.00 AM AND CONCLUDING AT 12.15 PM.**

This meeting was webcast. To review the detailed discussions that took place please see the webcast which can be found at: <http://www.buckscc.public-i.tv/core/portal/home>
The webcasts are retained on this website for 6 months. Recordings of any previous meetings beyond this can be requested (contact: democracy@buckscc.gov.uk)

MEMBERS PRESENT

Mr W Bendyshe-Brown, Mr W Chapple OBE (Vice-Chairman), Mr S Lambert, Mr B Roberts (Chairman), Mr D Schofield, Mr D Shakespeare OBE and Mr A Stevens

OTHERS IN ATTENDANCE

Mr J Chilver, Ms M Granat, Mrs C Gray (Secretary), Ms F Mills, Mr C Rawson and Mr M Tett

1 APOLOGIES FOR ABSENCE/CHANGES IN MEMBERSHIP

Apologies were received from David Martin.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES

The Minutes of the Meeting held on 14 July 2015 were agreed as a correct record.

4 PUBLIC QUESTIONS

There were no public questions.



INVESTOR IN PEOPLE



5 CHAIRMAN'S REPORT

Members agreed the scoping paper for the budget scrutiny inquiry which was due to take place on 19-21 January 2016.

A Special meeting was being held on 13 October 2015 to agree the Rent in Advance Inquiry, which was being submitted to Cabinet on 10 November 2015.

6 AN UPDATE ON THE CONNECTED COUNTIES HIGH SPEED BROADBAND ROLL OUT ACROSS BUCKINGHAMSHIRE

John Chilver, Cabinet Member for Resources and Christopher Rawson, Special Projects Manager attended for the meeting. The report was an information item on the rollout of high speed broadband across the County.

During the presentation the following points were noted:-

- Ubiquitous availability of next generation broadband infrastructure and access to superfast and reliable speeds remain a local and national priority.
- In partnership with Central Government, Local Authorities are spearheading delivery at a county level through supplier contracts, 'match' funding and other supporting activities. In Buckinghamshire the conduit for much of this is the Connected Counties Project, which is a partnership with Local Authorities, Government (through Broadband Delivery UK), Hertfordshire, Local Enterprise Partnerships and BT, with the intention of extending fibre broadband coverage to 90% of homes and businesses by March 2016.
- The Project was 80% complete and on target to be completed by the end of March. The next steps include extended coverage through an agreed Superfast Extension Programme from BT, in partnership with three District Councils, LEP and Government through a procurement process. One of the local requirements is to ring fence money geographically for each DC to provide a solution for long term issues and challenges.
- Monthly take-up data has confirmed that this has now increased to 23%, which places this project in a strong position nationally against peers. Work was being undertaken to improve take-up further as this funding would be reinvested in extending superfast broadband even further with a clawback mechanism for any underspent capital monies.
- Quarter 2 will be the first BT invoice that would require the use of local funds as to date Government funding has been paid to BT. A total of £3.7m of local funds are available, with £2m contributed by the Council and £1.7m from the LEP.
- The Council are waiting to hear about universal service commitment and the anticipated voucher scheme to help homes and businesses that cannot access download speeds of at least 2 Mbps. There were two trials in West Yorkshire and Suffolk using Fixed Wireless Access technology. AVDC are undertaking a Broadband pilot (Aylesbury Vale broadband) and Gigaclear are building fibre networks on the western edge of the Vale. In relation to the tri county debate officers would look at driving efficiencies through economies of scale.

During questions the following points were noted:-

- Reference was made to the fact that Connected Counties had upgraded some boxes but not others and how gaps and not spots were addressed in built up areas and the roll out of infrastructure to small villages. The roll out of Openreach was driven by the Chief Engineer Model, which would look at the rationale and conditions for network upgrades. Each individual cabinet has its own business case and the modelling process determines this based on a number of factors. Fairford Leys has been a problem with not spots and adequate infrastructure; some areas would have between 10/20 lines others up to 600 lines. The business case would look at the amount of revenue

generated and the level of infrastructure investment, alongside speed profiles and the number of premises served. Fibre deployment was more flexible than copper in the sense that it can be sourced from another exchange, such as Winslow being fed by fibre from Buckingham.

- The cost of the service was an important factor. One of the delivery models for the voucher scheme was through satellite and should help specific locations where broadband speeds remained poor or particularly isolated communities' e.g small farms. The Council was lobbying as it does not have access to the Super Connected City Voucher Scheme and there was a concern that the funding would run out from the Government following the Comprehensive Spending Review. Satellite delivery was limited in terms of speed upload and data was expensive if you were a heavy user. Discrete solutions could be looked at by other providers such as Openreach and Gigiclear, if there was an appetite from the local community to get more involved.
- By March 2016, superfast broadband coverage in the County will be above 90%. The Superfast Extension Programme allocation of £2.5 million aims to push figures beyond 95%. Buckinghamshire County Council was not in a position for the second time to match this funding which was being provided through District Councils and also a bid through the Local Enterprise Partnership. There were state aid rules which governed the process and provision of service. In terms of the provision in the Princes Risborough area this was subject to negotiation but the slippage should be absorbed to meet timescales; however the decision to accept supplier's proposals lay with the District Council. The Member from this area commented that the minimum requirement was 2Mbps and it was at 1.43Mbps yesterday; therefore they were looking forward to the upgrade as soon as possible. Another Member commented that he lived on the edge of High Wycombe but still had poor speeds. The Special Projects Manager reported that whether residents lived in a rural /urban area, data was treated equally depending on existing provision of broadband and the expected upgrades over a 3 year period, which define precisely which locations can be tackled using State Aid funds. Bucks Business First and the Local Enterprise Partnership were prioritising rural businesses and also to help homeworking.
- Village Networks provided a broadband solution to rural areas but it may be limited by topography and line of site, which may be impacted by hills or direct obstacles.
- A Member commented that Aylesbury and other areas had a growing population and that it should be emphasised that new developers ensure that there is adequate infrastructure when houses were built. He gave an example of the Berryfields development. Housebuyers did look at broadband speeds now when buying houses. This depended on how far planning authorities were willing to push this. Reference was made to solar heating broadband technology built into houses in Bicester and Banbury.
- Virgin media have selected Chesham as a location to trial new technology given their network presence and response to local engagement. The outcome of this will be a free Wi-Fi Zone in the town centre aimed at supporting businesses and visitors. A Member asked whether this would be extended to Wycombe or Aylesbury? The Special Projects Manager reported that this was installed through a series of pods on street side cabinets and may be extended to support town centre traffic and air quality sensors. If the trial was successful and the business case robust, then there was a possibility that this could be extended into other areas such as Aylesbury, Wycombe, Gerrards Cross and Wendover.

Members thanked the Special Projects Manager and commented that it was important to write to District Councils to ensure that all new developments include Broadband provision and that this was installed early so that roads did not have to be dug up at a later stage.

7 TO PROVIDE AN UPDATE ON THE CONTRACT MANAGEMENT FRAMEWORK AND CONTRACT MANAGEMENT APPLICATION

Michelle Granat, Head of Innovation and Commercial Services and Tony Fish attended the meeting to provide an update on the strategic review of the Contract Management Framework and Contract Management Application.

In their presentation they reported that the Council had introduced the concept of Supplier Relationship Management (SRM) to improve the skills and capability of the Council to effectively manage contracts and supplier relationships, which support commissioning and commercial activities. The Council has been unable to recruit a SRM Lead primarily due to the niche nature of the role. The Council have historically employed interims and for this CMF and CMA refresh, Tony Fish has been contracted until the end of December. It was important that managers and business units have a consistent approach to contract management and supplier relationships. A Contracts Management Application was developed to support the new Contract Management Framework. However, some Business Units are benefitting more than others, which may support the development of a more adaptable and customised solution.

One area that was key was the need to ensure visibility and to allow more opportunity to collaborate across the Council to join up knowledge and build on good practice. The key core components are in place and there needs to be good access to key documentation. It was important to track performance, evidence the benefits and make savings on contracts. In terms of internal governance there was an Advisory Group and contract leads in each Business Unit. Reporting protocols were being developed including a handbook and toolkit. There was also a training programme in place. Actions had been taken as a result of the CMA Internal Audit Risk Management Report. A Project Plan was attached as part of the report on key milestones.

During discussion the following points were noted:-

- At the last Regulatory and Audit Committee a question was asked about Member involvement in contract and supplier relationships to enable effective knowledge share, support and challenge. Members asked for more information on this area. Members would be engaged in the review. There had been limited involvement so far just involving the Cabinet Member and his Deputy, but all Member's would be involved shortly. Members suggested that it a session should be set up as soon as possible so that Members can help influence the design and implementation of the process. The Head of Innovation and Commercial Services reported that work was also being undertaken on the Commissioning Cycle, which Members had been recently involved in which linked into this area of work.
- A Member emphasised the need for engagement with Members at the pre-commissioning stage. It was not only important for Members to have early warning of contracts but to have information on what level of contract was being discussed e.g platinum and whether it would have significant impact on local communities. In addition to be kept informed at different stages of the commissioning cycle. This may be managed through the CMA system.
- In relation to this, Members would also find it useful to find out when changes occurs in a contract. Officers would need to be briefed on what point Members need to be informed depending on the scale and impact of the changes. This could include trigger points. The Head of Innovation and Commercial Services was working closely with the Head of Strategic Commissioning to ensure that information provided to Members during the Commissioning Cycle was robust and that appropriate training was in place for key officers.

Michelle Granat and Tony Fish were thanked for their presentation and asked to organise a Member briefing as soon as possible on the contract management process.

Martin Tett, Leader and Richard Ambrose, Head of Assurance attended for this item. A report was circulated relating to the value for money argument for prudential borrowing in relation to highway infrastructure. The Chairman reported that the two recommendations outlined in the report were an either/or option.

Members were having this discussion as interest rates were currently low. The Chairman had asked the Director of Assurance to provide options which were detailed at paragraph 42 to 52 of the report in order to minimise impact on revenue. This item provided an opportunity to discuss the pros and cons of prudential borrowing, particularly for highway infrastructure in public and to decide whether to put forward a recommendation to Cabinet to consider this option further.

During discussion the following points were noted:-

- The report provided information on other Authorities who had undertaken prudential borrowing for highway infrastructure such as Milton Keynes Council, Blackpool Council and Surrey County Council. The County Council had undertaken prudential borrowing where a good business case has been put forward such as the energy for waste facility. However the Leader had expressed concern about borrowing money for roads because of the long term commitment it imposed on the revenue budget and the lack of return on investment.
- Members looked at Milton Keynes Council who had used prudential borrowing for highway infrastructure and had invested money on a scheme by scheme basis with a sense check against the current market in terms of benchmarking and value for money for schemes. Members commented that if further funding was obtained through prudential borrowing that this should be put out to competitive tender as recent experience had shown that this process had saved money and more roads could be resurfaced. Reference was made to the example of Surrey County Council who had used bulk buying in order to save money.
- A Member commented that use of prudential borrowing at low interest rates could provide a boost to the budget. There would also be a reduction in insurance claims and also pothole repairs, some of which had to be repaired again following recent work, which was not an efficient use of funding.
- Reference was made to paragraph 10 and paragraph 18 of the report which referred to the continuing decline in the highway network and targeted investment would significantly extend the life of the current highway assets and would produce savings.
- It costs £10million per annum to keep the roads in a steady state without addressing the backlog in maintenance.
- The Leader responded that he had responsibility across all Services in the Council and the impact of prudential borrowing for highway infrastructure would affect services which were a high priority such as vulnerable children, older people etc. There were already severe pressures on the budget due to increasing demand and the maintenance budget for roads needed to be protected to ensure there was enough funding to repair roads during a bad winter. The Council were looking at an improved asset management approach whilst prioritising the vulnerable.

Members agreed that the principle of prudential borrowing should be put forward to Cabinet for discussion and that if further funding was obtained that this be put out to competitive tender to obtain value for money.

The Select Committee have carried out their task looking at all aspects of prudential borrowing (following the budget scrutiny recommendation), and agreed to refer it to Cabinet to show openness and transparency in terms of identifying other options for funding the repairs to roads. Members agreed that there should be no specific figures in the recommendations as

the discussion centred round the principle of prudential borrowing; Cabinet would now need to consider the principle and if agreed as a way forward to look at financial options.

On a vote being taken (six in favour, one against) the following recommendation was agreed:-

1 To ask Cabinet to consider the principle of using prudential borrowing to invest in highway infrastructure (capital assets).

2 If prudential borrowing is agreed that any capital obtained as a result of borrowing be used in a competitive tendering process to obtain maximum value for money on highway schemes.

9 UPDATE ON LEADERSHIP DEVELOPMENT

Frances Mills, Head of People Strategy and Organisational Development updated Members on workforce development activity around Leadership and Project Management. Under the Council's Operating Framework there is a One Council Skills Programme that supports the Council's ambition to be a commercially minded, customer focussed, digital and agile organisation.

The Council looked at effective commissioning of learning and development in terms of generic skills and Business Unit specific skills which are referred to in their own Learning and Development Plans. Every individual should have a discussion about their skills and learning as part of their Delivering Successful Performance reviews. At the last Leadership Development meeting it was agreed that the scope of the leadership programme should include all Managers.

Prince 2 has been the preferred project management tool but for the past year the Council has been piloting agile project management techniques which enable greater flexibility in terms of changes being made more easily during the life of the project. The Head of Innovation and Commercial Services is undertaking a review of project management with the objective of producing a framework tool. The Council will continue offering Prince 2 and agile management training.

During questions the following points were made:-

- A Member commented that there were a number of different courses relating to stress and suggested that these courses could be rationalised to reduce costs. Cabinet statistics show that this Council is below the national benchmark in terms of stress.
- The Head of Innovation referred previously to the difficulties in recruiting a Lead for Supplier Relationship Manager and Members commented that it would be helpful to upskill its own staff as much as possible to allow flexibility in their roles. In addition to look at the market place more closely in terms of offering the right package and support to do this role.
- Good practice would be encouraged across the organisation such as the Transport, Economy and Environment Business Unit Learning and Development Strategy.
- With austerity the first thing area that is usually impacted is training. The Head of People Strategy and Organisational Development reported that this had not been impacted as Members and Senior Managers had set aside funding for the Future Shape Programme to include training. This contract would continue until 2017. They were also looking at more e learning and other creative ways for learning and development.
- Other companies use e-learning packages for learning and development which includes an examination at the end. There are some social care packages where mock assessments are undertaken which may be broadened out to a requirement before they join the organisation.

Frances Mills was thanked for her informative report.

10 COMMITTEE WORK PROGRAMME

Members noted the Work Programme.

Members asked that there be a Broadband Update next year at the March meeting particularly looking at the delivery of the Project and providing value for money and identifying areas of investment.

The Committee Adviser reported that the report title relating to the voluntary sector infrastructure would be amended slightly.

11 DATE AND TIME OF NEXT MEETING

13 October (special meeting) and 10 November 2015.

Clare Gray, Committee Adviser was thanked by Members as this was her last meeting of the Select Committee before taking up a new post.

Post-meeting note: These minutes were agreed as a revised correct record by the Chairman on 1 December 2015. These minutes replace the previous version of the minutes agreed as a correct record by the FPR Committee at its meeting on 13 October 2015.

CHAIRMAN