

Minutes of the SCRUTINY MANAGEMENT COMMITTEE held on TUESDAY 26 JULY 2016 at 7.00 pm

Present: Councillor D Hopkins (Vice-Chair in the Chair)
Councillors Bald (substitute for Councillor A Geary), Bint, Brackenbury, Ferrans (substitute for Councillor I McCall), Miles (Vice-Chair), Patey-Smith and K Wilson

Officers: T Hannam (Corporate Director Resources), N Jones (Service Director [Finance and Resources]), S Bridglalsingh (Acting Service Director [Legal and Democratic Services]), R Peck (Head of Customer Services), K Rashid (Capital Programme Director) and E Richardson (Overview and Scrutiny Officer)

Apologies: Councillors A Geary, Khan and I McCall

Also present: Councillor Middleton and 2 members of the public

SM09 MINUTES

RESOLVED -

That the Minutes of the meeting of the Scrutiny Management Committee held on 22 June 2016, be approved and signed by the Chair as a correct records.

SM10 DECISIONS OF THE COMMITTEE'S PLANNING GROUP

The Committee considered the decisions from the meetings of the Committee's Planning Group held on 30 June 2016 and noted that:

- Agile Working, the plans, benefits and details of the build programme to accommodate this, were included in Item 6 on the agenda;
- The Review of Neighbourhood Policing would be included in the meeting scheduled for 26 October 2016 and the Review of the Community Safety Partnership would be considered at the meeting scheduled for 25 January 2017;
- The Head of Communications had been supplied with copies of the Work Programmes for the Scrutiny Committees and had agreed to assist the Scrutiny function with external publicity for its work as and when required;
- Consideration of the Quarterly Performance Report and the various performance reporting issues raised by the Committee's Planning Group at its meeting on 7 April 2016 had been deferred until the next Planning Group meeting, although no date had yet been agreed;

- The Housing and Community Committee Planning Group had been advised that the Scrutiny Management Committee would look at the most effective way of scrutinising Local Regeneration Plans and the issue of Landbanking and the Under Development of Sites, which were currently included in the Housing and Community Committee's Work Programme;
- That the Children and Young People Committee would be holding an additional meeting to consider innovations in Children's Social Care;
- The Health and Adult Social Care Committee's Planning Group had submitted suggestions to the Scrutiny Management Committee's Planning Group on how it and the Children and Young People Committee could work together to scrutinise the Health and Wellbeing Board;
- Due to leave commitments by both councillors and officers, it had been agreed that it would not be possible to hold a Planning Group meeting in August and that planning for the meeting scheduled for 7 September would be done by e-mail.

Following a query from Councillor Bint, the Committee was reminded that any member of the Committee could propose items for consideration for inclusion in the Work Programme by e-mailing their suggestions to both the Chair and the Committee Services and Scrutiny Manager.

RESOLVED –

That the decisions made by the Committee's Planning Group at its meeting held on 30 June 2016 be confirmed.

SM11

FUTURE WORKING PROGRAMME (FWP)

The Committee received a short presentation from the Service Director (Finance and Resources) which gave a breakdown of the total costs and a summary of the financial benefits of the Future Working Programme.

The Committee then discussed the information in the report it had received about the Future Working Programme, together with the information from the presentation.

Concerns were expressed as to whether, once Council staff had moved out of Saxon Court, in the current financial climate, it would be possible to lease out the rest of the building at the level of rental income anticipated in the report. Doubts were also raised as to how long the current tenants were likely to stay. The Committee was advised that if the Civic Offices was not refurbished, there was nowhere else for Council staff to go and therefore the Council would have to continue to use Saxon Court as office accommodation with a consequent loss of income.

The Committee also discussed the possibility of Saxon Court being converted to housing if it could not be rented out fully, but were advised that this would not be possible due to the design of the building. The Committee also asked about the possibility of developing the land at the rear of Saxon Court for housing and were advised that this had already

been looked into and was not considered feasible, even for high density student accommodation.

The Committee discussed the redevelopment of the Civic Offices, particularly in relation to the plans to replace the air conditioning system and whether the work was really necessary. The Committee was advised that the work was essential. The law now required that large air-conditioning systems such as that at the Civic Offices should be “cleanable”. It was noted that the system currently in place was the original system installed 35 years ago and therefore did not meet modern criteria for effective air-conditioning systems.

The Committee was particularly concerned about the robustness of the figures relating to estimated cash flow, particularly in relation to rental income from Saxon Court. The Cabinet Member confirmed that he had already challenged officers about the figures and was satisfied that they were realistic. The Corporate Director Resources explained that it was not possible for the Council to isolate itself from every financial risk and that he was confident that the modelling that had taken place had taken account of the worst case scenario. However, the Committee remained concerned that estimates for income had been overstated and those for expenditure understated. It therefore requested that the Finance Team be asked to review the figures.

The Committee received an audio-visual presentation prepared by the Customer Service Team about the work being done with ‘fast track’ teams to improve productivity. The Customer Service Team had looked at what worked effectively, what might hinder productivity and then assessed what needed to change. The presentation involved a number of Council officers explaining how the new procedures had improved efficiency in their teams, saved time and excess travel and reduced the need for formal meetings in a designated meeting area.

To maintain this momentum and bring similar improvements to the whole of the Council’s workforce, work needed to be done to turn the Civic Offices into a SMART property. It was suggested that the Council had under-invested in its property and assets in the past and now there was a need to catch-up with a range of remedial works.

The Committee agreed that many of the benefits of the programme were intangible, but an effort needed to be made to quantify these benefits, particularly in terms of increased efficiency, improved productivity, savings in staff time, staff satisfaction and retention.

It was noted that if improvements to the Civic Offices were carried out on a piecemeal basis the costs were likely to be greater than if done as part of one major refurbishment programme. The estimated costs of the refurbishment had been scrutinised by an independent assessor who had already identified £0.5m worth of savings. The Capital Programme Manager agreed that further work needed to be done scrutinising the specification to ensure that it was delivering the improvements the Council needed to operate efficiently, rather than just make “nice to have” but not

essential, cosmetic changes. The core driver was the need to provide a higher density staff environment with fewer meeting spaces.

The Committee reminded officers that Council staff were not the only people who used the Civic Offices and that sight should not be lost of the range of other activities that took place there, such as Citizenship Ceremonies and other commemorative or celebratory events. It was suggested that this was an opportunity to explore how the Civic Offices could be a building of increased value to the citizens of Milton Keynes.

RESOLVED –

1. That the Cabinet Member (Resources and Commercialism) and the team from the Resources and Commercial Development Directorate, be thanked for their presentations and input into the Committee's discussions on the Future Working Programme.
2. That the Committee supports the core proposition of the report and accepts that there is a strong case for centralising the Council's staff in one building and the consequential need for building improvements to be undertaken in order to facilitate this.
3. That the Cabinet be recommended to request the Project Team to review the costs in the specification and check that all the proposed works are necessary, as there may be the opportunity to significantly reduce costs by not carrying out 'nice to have but not essential' works.
4. That the Cabinet be recommended to request the Project Team, without undue delay to the urgent health and safety works needed, to:
 - a) review the income and expenditure assumptions presented in the report and satisfy themselves that the income flows are realistic in the current and forecast future lettings climate;
 - b) model the worst case scenarios and conduct a sensitivity analysis based on the scenarios;
 - c) include an assessment of the productivity gains expected from new working practices, stemming from the work being undertaken by the Head of Customer Service;
 - d) ensure that sufficient cost contingency is included being mindful of the fact that some costs will not be known until the refurbishment is underway; and
 - e) provide clear information about how the residents of Milton Keynes would benefit from this investment.
5. That the Cabinet be strongly recommended to require officers to review other Council owned buildings that may have the same or similar air conditioning systems to the Civic Offices (e.g. the Central Library and Saxon Court) to establish if upgrades are required to satisfy Health and Safety requirements and further to assess the potential budgetary implications arising from this.
6. That the Cabinet be recommended to request the Project Team to review the specialist requirements of the various groups of people,

other than Council staff and councillors, who also use the Civic Offices on a regular basis to ensure the improvement works also meet their needs.

7. That the Cabinet be recommended to explore the opportunity to develop external community benefits which could be generated by such activities as donating reusable furniture and other fixtures and fittings to appropriate community groups or buildings.
8. That the Cabinet be invited to consider how a redeveloped Civic Offices can become a building of added value to the lives of the citizens of Milton Keynes.
9. That the Cabinet be recommended to give consideration to exploring the possible risks which might arise from the implementation of the Future Working Programme and its associated works and how these can be fully mitigated.

SM12

**SCRUTINY MANAGEMENT COMMITTEE WORK PROGRAMME
2016/17**

RESOLVED –

That the Committee notes the proposed Work Programme for 2016/17.

THE CHAIR CLOSED THE MEETING AT 9.45 PM