



SCRUTINY COMMITTEE

4.30pm – 7.05pm

22 March 2012

Present: Councillors Stephenson (Chair), Jeraj (Vice chair), Bradford, Galvin, Gayton, Gee, Grahame, Grenville, Lubbock, Sands (M) and Storie

Apologies: Councillors Driver and Fisher

1. MINUTES

RESOLVED to approve the accuracy of the minutes of the meeting held on 23 February 2012.

2. SCRUTINY COMMITTEE WORK PROGRAMME

The chair reminded members that all councillors could use the scrutiny topic request form to submit topics for inclusion on the work programme for the new civic year.

Members acknowledged that an all members briefing on the procurement strategy had been provided, and suggested that it would be useful to make it available to new members in the new civic year.

RESOLVED to make the procurement strategy briefing available to all members.

3. ASSET MANAGEMENT IMPROVEMENT PLAN

The head of city development services provided a presentation on the asset management improvement plan and confirmed that work had commenced on the asset list, which would soon be made available to members and the public. He introduced Ian Bromley-Derry, managing director of NPS Norwich Ltd and said that council officers had successfully transferred over to NPS Norwich Ltd on 1 March 2012.

Councillor Bradford suggested that the council's mixed portfolio of properties which had accumulated over the years, made it a difficult business model to manage. In response, the managing director of NPS Norwich Ltd said that one of the benefits of the NPS partnership was that NPS had knowledge of dealing with properties within the public sector environment.

In response to members' questions, the head of city development services explained that the final decision to dispose of an asset would sit with cabinet. However visibility would be improved on the lead up to the decision, enabling members a reasonable amount of time to consider the proposal and make representations to

cabinet. The director of regeneration and development stated that members currently received notification of assets considered suitable for disposal, to enable them to raise any issues that should be considered by cabinet. Wider consultation would be dependent on the outcome of the asset review process and identification of who may be affected by the proposal.

In response to questions from Councillor Jeraj, the head of city development services said that the key areas which should be complete within a year included a reliable property management database; commencement of the condition survey work; and to have increased capacity to take advantage of opportunities as they arise. Actions would be monitored through the review of the strategy and also through the performance monitoring of NPS Norwich Ltd. Furthermore, officers stressed that disposals were only a part of the work of NPS Norwich and other property related matters, including lease renewals, lettings, wayleave agreements, investment decisions, valuations and site development advice, required substantial investment of staff time.

Members were concerned that the disposal of properties could have a negative impact on small business tenants, the local community and heritage aspects of the city. The managing director of NPS Norwich Ltd explained that tenants had statutory protection under the Landlords and Tenants Act 1954, which ensured that tenancy arrangements would be retained as part of the sale. Councillor Waters, portfolio holder for resources acknowledged that decisions needed to consider the impact on the business community but that balance was also required to ensure that the assets within the investment portfolio were commercially viable. The director of regeneration and development brought members attention to the Assets of Community Value part of the Localism Act, which would provide the public with the ability to identify a range of assets considered of local importance. An alternative process for disposal would need to be developed for these assets.

Members suggested that the social and historical reason for purchasing the asset could be included on the asset list, to help inform the asset review. The head of city development services explained that the information was not always readily available. The portfolio holder for resources said these aspects were built into the asset review matrix and criteria used to develop proposals for the asset. Councillor Grahame suggested that the criteria be made available to the public.

In response to questions from Councillor Galvin, the director of regeneration and development explained that properties would be looked at on an individual basis and also within groups of properties. NPS Norwich Ltd, which was funded by the council, would provide a wider market view of managing the entire portfolio, which was a major revenue stream for the council. Any operating profit would be split 50/50 between the council and NPS Norwich Ltd.

Councillor Lubbock said that it was difficult to identify which land the council owned. Members were informed that they could contact the head of city development services if they required identification of council land ownership.

RESOLVED:-

- (1) to track the progress of the asset management improvement plan through the quarterly performance management report, to include the

relevant performance indicators; progress against key milestones and the general health of the portfolio;

- (2) to add an item to the work programme to review the NPS Norwich annual business plan before consideration by cabinet;
- (3) to request that the completed asset list be published on the council's website;
- (4) to request that members be made aware of any proposal to dispose of an asset as far in advance of the decision by cabinet as reasonably practicable and for officers to consider setting a formal timescale;
- (5) that officers consider the inclusion of whether an asset has a social and historical value, onto the asset list.

4. THE LOCALISM ACT – CHALLENGE AND OPPORTUNITIES FOR OVERVIEW AND SCRUTINY

In response to a question from Councillor Gee, the deputy chief executive explained that the report provided an overview of the Localism Act and that there would be further opportunity to explore the role of scrutiny.

The policy and performance manager provided a presentation on the Localism Act, highlighting areas of potential impact on large parts of the council and the implementation dates where known. In response to members' questions regarding community right to challenge, he said that it was unclear whether larger companies could entice residents to join with them in order to start a procurement process. He suggested that case law would become available as time progressed. Any expressions of interest received would need to be investigated to see whether it would result in triggering an open procurement process.

In response to members' questions regarding the assets of community value, he said that the council would be responsible for co-ordinating the list of assets, however legislation and guidance on setting the governance process was not yet available. Individual councillors would not be able to nominate assets.

He responded to members' questions regarding the Localism Act's affect on the scrutiny committee. Discussions would need to take place around governance and accountability arrangements. The council would need to understand what procedures need to be in place to implement the Localism Act. Scrutiny would need to consider how it could be involved and make recommendations.

Any changes to service delivery would require the development of clear roles and responsibilities, and the monitoring of service standards and performance reporting of the services, to ensure that services delivered value for money. Consideration would need to be given to how external bodies would be held to account. The deputy chief executive informed members that business continuity plans were essential to minimise the risks of business failure due to the current economic climate.

With regard to the assets of community value, the portfolio holder for resources said that the scrutiny process could provide a neutral environment to invite people to discuss issues and to shape and develop how the council should proceed.

During discussion it was considered that scrutiny would take on a more external focus in the future. In response to questions from Councillor Grahame, the deputy chief executive said that due to limited resources, the scrutiny committee would need to prioritise the issues raised by the Localism Act and focus on where the committee could make the most impact. The policy and performance manager confirmed that private businesses would not be subject to freedom of information requests, which could impact on the council's ability to scrutinise partners and services not provided by the public sector. It was still unclear as to how the council would access the information required.

Members wanted to understand how scrutiny and cabinet could work collaboratively to move forward.

RESOLVED to take the above issues into consideration when developing the work programme for the new civic year.

CHAIR