

A meeting of the Cabinet and Corporate Services Scrutiny Committee held at Kensington Town Hall, Hornton Street, London W8 7NX at 6.30pm on 24 October 2016

PRESENT

Members of the Committee

Councillor Pat Mason (Chairman)
Councillor James Husband (Vice-Chairman)
Councillor Adrian Berrill-Cox
Councillor Barbara Campbell
Councillor Emma Dent Coad
Councillor David Lindsay
Councillor Daniel Moylan
Councillor Andrew Rinker
Councillor Linda Wade

Others in attendance

Councillor Paul Warrick (Cabinet Member for Facilities Management and Procurement Policy)
Graham Hart (Economic Development Manager)
Andrew Lee (Head of Strategic Procurement)
John Quinn (Director of Corporate Services)
Tony Redpath (Director of Strategy and Local Services)
Martyn Carver (Principal Governance Manager)

A G E N D A

A1 APOLOGIES

Apologies for absence were submitted on behalf of Cllr Nicholls.
Mr Holgate also submitted apologies for absence.

COMMITTEE MEMBERSHIP

The Chairman advised the Scrutiny Committee that following the changes to Committee ratios agreed at the Council meeting on 19 October, Cllr Press had stepped down from the Committee and had been replaced by Cllr Wade. He welcomed Cllr Wade to her first meeting.

A2 DECLARATIONS OF INTEREST

None.

A3 MINUTES

The minutes of the meeting held on 19 September were confirmed as a correct record and were signed by the Chairman.

A4 FURTHER DISCUSSION OF THE REPORT OF THE PROCUREMENT SCRUTINY WORKING GROUP

Cllr Paul Warrick, Cabinet Member for Facilities Management and Procurement Policy, attended the meeting for this item with Mr Lee.

The Chairman introduced the report, discussions on which had been held at previous meetings and assumed that Cllr Warrick had read it. He advised that an executive summary would be drafted to draw the numerous recommendations together.

Cllr Warrick congratulated the Working Group on producing such a comprehensive and useful report. He commented that the procurement function in RBKC was largely devolved to departments with a small central team, managed by Mr Lee. He said that this seemed to work. There was a recommendation to establish a more centralised procurement function, like that at Westminster. He added that Hammersmith and Fulham's arrangements may be subject to change in the near future. Cllr Warrick added that if all the recommendations in the report were implemented there may be difficulties in getting the market, particularly small suppliers, to respond. Changes would be made to the procurement process as a result of the report but time would be needed to assess some options, given the political position in Hammersmith and Fulham.

The Chairman replied that the Working Group had sat for 14 months taking evidence and considering recommendations so was very familiar with how the procurement function worked at RBKC and across Westminster and Hammersmith & Fulham. The question at hand was not to describe how the procurement function currently worked - the Working Group and the Committee were now familiar with this - but to decide how and where it could be improved, and if this meant changing the procurement structure, then the Cabinet could decide to do this. The Working Group tested the Council's approved Procurement Strategy using 16 contracts and the results were contained in the report that suggested improvements were required to avoid some of the contract failures which were examined. Cllr Warrick noted the report mentioned the problems small providers were faced with trying to enter the procurement process. The Chairman said the Working Group had taken evidence on this from the Kensington and Chelsea Social Council and found that the current process could be improved.

Cllr Rinker, who had chaired the Working Group, considered that many of Cllr Warrick's observations were based on consultation with officers. He drew attention to key recommendations in respect of:

- A need for earlier scrutiny involvement in the procurement process;
- Tighter Bi/Tri-Borough contracts and the need to retain a sovereignty provision;
- Detailed contractual terms and performance monitoring criteria which need to be proportional.

Cllr Rinker added that the recommendations were all brought forward on the back of specific issues which the Working Group had investigated. Cllr Warrick considered that some were not appropriate. Cllr Rinker stressed that consideration should be given to proportionality: for instance a contract for a £10k piece of work would not require a lengthy contract.

Cllr Moylan spoke of the need to get contracts right at the start to avoid financial and reputational damage. The Council did not have the resources retrospectively to fix big contracts which had gone wrong. Contract allocation was often dominated by an inflexible numerical scoring process. It was very difficult to depart from this for risk of other bidders bringing legal action. He was of the view that risk allocation in contracts was not covered adequately in the report; the Council should accept some risk to reduce the bids. He commented that adding a penalty clause to allow for the contract to be rescinded would lead to higher built-in premiums. Finally, Cllr Moylan urged Cllr Warrick not to entrust procurement to other Tri-Borough partners as they would act in their own interests.

Cllr Husband said that the planning stage was crucial; most of the report's recommendations were targeted at this area. He added that Cllr Moylan made a fair point about risk: where appropriate the Council should take on some of the risk to reduce the cost to the bidder. He and Cllr Berrill-Cox said that they would welcome a response to all the recommendations in the report.

Mr Lee advised that overall there were 182 recommendations in the report. Work had been carried out to sort these into 6 or 7 categories, of which recommendations at the planning stage were overwhelmingly the largest. He estimated that 70% of the recommendations could be implemented soon or already exist; the remaining 30% required more work and assessment.

Cllr Warrick replied that there would be a report to the November meeting of the Cabinet on the recommendations. He noted that the Cabinet agenda always formed part of the Scrutiny Committee agenda so undertook to attend the Scrutiny Committee's meeting on 21 November as well.

A5 YOUTH UNEMPLOYMENT IN THE ROYAL BOROUGH

Mr Hart, Economic Development Manager, introduced the report. He pointed out that the number of 'not known' 16-18 year olds in the Borough was higher than the London average. Actions were being taken to reduce this figure as detailed in the report. Young adults of 18-19 years presented the greatest challenge as they were least likely to progress into education or employment.

Cllr Dent Coad asked about the quality of placements and said that it would be helpful to know what roles were being undertaken. Mr Hart said that all EPIC apprenticeships had training attached to them. Referring to page 9 of the report, Cllr Dent Coad asked how much had been paid from the Strategic Regeneration Reserve. Mr Hart said the final figures were awaited but 77 placements had been completed.

Cllr Wade referred to the high amount of construction work in the Borough. She asked whether conditions to employ local apprentices could be added when a planning application came to the Planning Committee. Mr Hart said that planning agreements could be a way forward but it was a challenging area. Cllr Dent Coad added that a provision to use local apprentices had been arranged for the Wornington Green development but there was a skill shortage. It was important to give apprentices proper and meaningful training on site. It was noted that Kensington and Chelsea College had stopped its construction training courses. In connection with this, Mr Redpath drew attention to Report A7 on the agenda.

Cllr Berrill-Cox asked how many NEETs were in the Borough. It was noted that there were 80 in the 18-24 age group claiming Jobseekers Allowance and 220 claiming Employment and Support Allowance, making a total of 300.

The report was received and noted.

A6 WORK AND HEALTH PROGRAMME (WHP)

Mr Redpath advised that the report drew to Members' attention the possibility that Cllr Feilding-Mellen may be asked at short notice to agree that RBKC would take part in the joint commissioning of the WHP in central London, in partnership with the CLF boroughs, Hackney, Haringey, Lewisham and Tower Hamlets. He added that the current Work Programme had not been required to connect with local support networks, a shortcoming which a local authority-led commissioning process would seek to address. It remained to be seen, however, whether DWP really would

be prepared to devolve the WHP commissioning process to the London boroughs.

The report was received and noted.

A7 NEW HOMES BONUS FUNDING TO A JOINT CONSTRUCTION SECTOR EMPLOYMENT INITIATIVE - KEY DECISION

The Committee noted that the Council had little choice in yielding up a proportion of the New Homes Bonus funding. Members asked if the Council could influence the allocation of this money. Mr Redpath referred to page 14 of the report which set out the minimum requirements.

Members spoke of problems with training for construction industry jobs. The lack of training courses in colleges meant that apprentices who were taken on to learn on-site were more likely to be given very basic tasks which added little to their abilities. They were then more likely to be released at the earliest opportunity. Members asked for the position to be monitored and an outcome report to be brought back to Committee.

Action by: Mr Redpath

The report was received and noted.

A8 BUSINESS RATES REVALUATION 2017

The report was received and noted.

A9 FUTURE AGENDA AND SCRUTINY ITEMS COMMITTEE MEMBERS WISH TO SUGGEST (STANDING ITEM)

The Chairman advised Members of items to be discussed at forthcoming meetings of the Scrutiny Committee, including briefings on the work of the Media and Communications and Consultation teams; Your Voice; consultation on the Police and Crime Plan; and visits by the Borough Fire Commander and Borough Police Commander.

A10 TRI-BOROUGH UPDATE - ORAL REPORT

No matters were raised.

A11 CABINET AGENDA FOR 27 OCTOBER

The reports on the Cabinet agenda were noted.

A12 FORWARD PLAN - AS AT 14 OCTOBER

Cllr Dent Coad drew attention to KD03743 on funding for IT (page 4) and asked whether it was a new proposal. Mr Redpath undertook to check but considered that it was a long-standing item.

The Chairman referred to the key decision on voluntary sector grant allocations for 2017-19 (KD04896; page 8). He reminded Members of the meeting with Cllr Hargreaves at 4pm on 7 November which would examine the recommendations. All were invited.

The remainder of the forward plan was received and noted.

A13 OTHER URGENT ITEMS

None.

EXCLUSION OF PRESS AND PUBLIC FROM THE MEETING:

RESOLVED – to exclude the press and public from the meeting for the following specific items of business on the grounds that they may involve the likely disclosure of exempt information as defined in Part I of Schedule 12A to the Act, as amended:

B1 MINUTES OF THE MEETING ON 19 SEPTEMBER

The confidential minutes were signed as a correct record.

B2 MANAGED SERVICES PROGRAMME UPDATE

Mr Quinn advised about progress with the programme.

No other matters were discussed.

The meeting ended at 8.45pm.