

Lancashire County Council

Internal Scrutiny Committee

Minutes of the Meeting held on Friday, 21st January, 2022 at 10.00 am in Teams Virtual Meeting - Teams

Present:

County Councillor David O'Toole (Chair)

County Councillors

A Fewings	E Lewis
J Fillis	S C Morris
S Hind	P Rigby
A Hindle	J Shedwick
S Holgate	S Smith
T Hurn	

1. Apologies

No apologies were received.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

No interests were declared.

3. Minutes of the meeting held on Friday 12 November 2021

Resolved: That the minutes from the meeting held on Friday 12 November 2021 were confirmed as an accurate record.

4. Commercialisation

The Chair welcomed Ajay Sethi, Head of Service Commercialisation to present an update outlining the activities to support the county council in creating the right environment for it to be more commercial.

Over the years Lancashire County Council has continued to look at ways to achieve savings, to look at commercially innovative ways to deliver services, and to capitalise on its traded services to help deliver services that cannot generate income.

The term commercialisation and income generation are open to interpretation and the county council did not have a clear position on this. On 6 August 2020, Cabinet approved the county council's Commercial Blueprint.

Members thanked Ajay for his presentation.

Comments and queries were raised by the committee and members of the Budget Scrutiny Review Panel (in accordance with Procedural Standing Order D13(1)) as follows:

- The School Catering Service was provided as an example of a successful commercialisation project, as a significant employer in over 500 schools across Lancashire with staff employed on the Foundation Living Wage. 70-75% of the service's supplies were sourced locally, which demonstrated support for the local economy and cut the need for long-distance travel. The service was recognised nationally as Local Authority Caterer of the Year.
- Members raised concerns that residents could perceive councils to be competing with local businesses. It was noted that this factor had been built into the business planning process and strategic case. Officers were mindful of the county council's reach and impact during decision-making.
- The Commercial Blueprint acknowledged that portfolio management was included in the Treasury Management Strategy. Nonetheless, the draft Application of Fees and Charges Policy would be relevant to the county council's estates and asset management.
- A key measure of success over the next five years would be that officers within each service were equipped with the skills, support, and resources to understand commercialisation and allow them to adopt a commercial practice. Another key target was to recognise and maximise opportunities for income generation, with a consistent approach across the county council.
- The committee queried how tensions between different services and their desired outcomes would be approached. It was explained that a number of factors would be considered, including meeting residents' needs, supporting the county council's ambition, and utilising the authority's assets to both cover costs and ensure social value.
- It was noted that the draft Application of Fees and Charges Policy placed responsibility on heads of service and senior managers. Commercial champions across the county council would be consulted to identify the additional resources and support needed to implement the policy in their service areas.
- It was acknowledged that the level of funding received from central government had reduced and may continue to do so. Therefore, a mechanism had been created to cover the cost of the county council's activity and offsets costs from rising demand in other areas. This would protect the authority's statutory functions, whilst allowing creativity and efficiency and not solely rely on central funding.
- It was clarified that, if a third-party contractor was deployed to deliver a function or service, there was a clear and consistent expectation across the county council (set out in the draft Fees and Charges Policy and

service level agreements, for example) that customer experience and satisfaction would be as important as delivery.

The Chair thanked Ajay for his presentation and answering the questions from the committee.

Resolved: That the report on commercialisation, in particular the differing aspects of the commercial programme and the draft Application of Fees and Charges Policy, be noted.

5. Public Realm Agreements

The Chair welcomed to the meeting County Councillor Charlie Edwards, Cabinet Member for Highways and Transport, Phil Durnell, Director of Highways, John Davies, Head of Service Highways and Ridwan Musa, Highways Service Manager (Operations).

The committee considered a presentation which provided information on the county council's Public Realm Agreements with district councils. At the committee meeting held on 10 September 2021, it was noted that Public Realm Agreements received a lot of attention from the public, therefore members felt it was important to consider the relationship between the county council and district councils, as well as the funding provided.

Comments and queries were raised by the committee and members of the Budget Scrutiny Review Panel (in accordance with Procedural Standing Order D13(1)) as follows:

- Regarding weed control, there were exceptional circumstances in Lancaster and Morecambe. It was explained that there had been a delay to the service being procured, though a supplier had been appointed and a schedule agreed for the year ahead. Officers from Lancashire County Council continue to work closely with officers from Lancaster City Council's Public Realm team.
- It was clarified that highways officers perform Highway Safety Inspections, and if there was an issue highlighted with grass verges this would be picked up by the relevant highways team. If councillors or members of the public identified any hazards during the period between inspections, they could report these to Lancashire Highways to be investigated and removed.
- It was explained that some functions such as grass cutting, were undertaken by parish councils and with funding received from Lancashire County Council to carry out an agreed number of cuts. To be consistent across all areas of the county, this figure was based on the Highways Management Plan and the county council's expected criteria.

- In response to members' queries about funding, it was clarified that the funding provided to district councils was determined by the level of responsibility delegated to them, as set out by each Public Realm Agreement. If any discrepancies were identified, they should be raised with officers at the county council.
- Members queried how the agreements were shared with district council officers. It was noted that each district council received a copy of the Public Realm Agreement, but officers would identify when the agreements were exchanged after the meeting.

It was agreed that a Task Group could be an effective way of further scrutinising Public Realm Agreements. The Chair advised that members interested in a task group should request one via the identified process.

The Chair thanked officers and County Councillor Charlie Edwards for their participation.

Resolved: That;

- i) The presentation provided by the Highways Service on Public Realm Agreements be noted; and
- ii) A scoping exercise be undertaken to identify the remit of a potential task and finish group on Public Realm Agreements to come back to the next meeting of the committee for agreement.

6. Report of the Budget Scrutiny Review Panel

The Chair welcomed County Councillor David Westley, Chair of the Budget Scrutiny Review Panel. The report presented to the committee provided a brief overview of matters considered by the Budget Scrutiny Review Panel at its meeting held on 2 November 2021, including the panel's request for its Terms of Reference to be updated.

There were no concerns raised by the committee and the Chair thanked County Councillor Westley for the report.

Resolved: That;

- i) The update provided by the Budget Scrutiny Review Panel following its meeting on 2 November 2021 be noted; and
- ii) The Budget Scrutiny Review Panel's Terms of Reference be updated to include monitoring approved budget growth items under 'Role of the Review Panel'.

7. Work Programme 2021/22

The committee considered a report which provided information on the work programme for the Internal Scrutiny Committee.

The topics included in the work programme were identified at the joint work planning workshop for Internal and External Scrutiny held on 9 July 2021.

The committee were also asked to consider the work programmes for the Education and Children's Services, External, and Health Scrutiny Committees.

There were no comments and queries raised by the committee.

Resolved: That the Internal Scrutiny Committee Work Programme 2021/22 be noted.

8. Urgent Business

There were no items of urgent business.

9. Date of Next Meeting

It was noted the next meeting of the Internal Scrutiny Committee will be held on 4 March 2022 at 10:00am at County Hall, Preston.

L Sales
Director of Corporate Services

County Hall
Preston