

SCRUTINY COMMITTEE

MONDAY, 19 APRIL 2010

PRESENT:- Councillors Derique Montaut (Chair), Andy Albinson, Mavis Childs, Peter Mallinson, Des Moffatt, Stan Pajak, Eric Shaw, Vera Tomlinson and Justin Tomlinson.

Councillors Rod Bluh, Leader of the Council, Fionuala Foley, Deputy Leader of the Council, Colin Lovell, Cabinet Member for A Safer and Stronger Borough, Garry Perkins, Cabinet Member for Children's Services, David Renard, Cabinet Member for Health, Housing and Adult Social Care, Keith Williams, Cabinet Member for Leisure & Corporate Services and Phil Young, Cabinet Member for Culture, Regeneration and Economic Development were also in attendance.

An apology for absence was received from Councillor Glenn Smith (Vice-Chair).

81. Declarations of Interest

The Chair reminded Members of the need to declare any known interests in any matters to be considered at the meeting. Councillor Keith Williams made a non-prejudicial declaration of interest in respect of Agenda Item No. 4 as he had a relative who worked for Capita. Councillor Garry Perkins made a non-prejudicial declaration of interest in respect of Agenda Item No. 4 as he was the Council's representative on the Board of Digital City (UK) Limited.

82. Public Question Time

The Chair noted that a significant number of written Public Questions had been received in advance of the meeting and advised that, due to the number and detailed nature of these questions, written responses would be provided.

Mr Des Morgan asked for clarification on the issue of the Board of Directors of Digital City (UK) Ltd. He stated that a previous answer he had been given, that Swindon Borough Council had one Director on the Board, was incorrect and asked if the Council would now acknowledge this. Mr Morgan also commented that information referring to "three" Directors of Digital City (UK) Ltd was incorrect, that there were only two Directors until 30th March 2010. He asked if the Council would acknowledge that responses regarding the number of Directors were incorrect. Councillor Rod Bluh, the Leader of the Council, responded that the issue of the appointment of Mr Hitesh Patel, the Council's Group Director Business Transformation, as a Director of Digital City UK Ltd had been addressed as part of a report to Cabinet and had subsequently been accepted by the Scrutiny Committee. He agreed that Mr Morgan should receive written responses to the remainder of his questions.

Mr Andy Harrison referred to Cabinet Minute 131 (Bus Services, Penhill, Swindon – Motion at Council) and a 500 signature Petition submitted to the Council regarding the No. 21 Service. He asked if the Scrutiny Committee was aware that this decision was based upon incorrect information from bus companies on the usage of the service by school children and a definition of peak time not being specified, and if, given this fact, the information before the Cabinet should have been checked prior to

any decision being reached. He asked if the Committee would refer this decision back to the Cabinet, noting that every bus had a computer system that registered passenger numbers and that this information could easily be made available. Councillor Garry Perkins replied that he had no reason to doubt the accuracy of the information provided by the bus companies on service usage and that he was sure that if there were demand for a service then the bus companies would run them.

Mr Chris Watts referred to his tabled questions on Wi-Fi and responses to questions presented at the previous meeting of the Scrutiny Committee. He referred to the creditworthiness of the borrower and to the Internal Audit report which indicated that a credit check had been undertaken by the Council and asked if any other parties had been included. The Council's Director of Finance confirmed that the credit check included individual Directors of the company.

Mr Watts referred to the company's registration on the Isle of Man and asked for clarification on the position of the company as an off shore company and on the payment of Corporation Tax. The Group Director Business Transformation confirmed that aQovia was registered on the Isle of Man and was subject to the tax regulations on that island. The Director of Finance added that there were two types of tax status, off-shore and on-shore. The Group Director Business Transformation confirmed that aQovia UK was registered in the United Kingdom for tax purposes and any profit would be liable to pay United Kingdom tax.

Mr Watts asked if the Council was aware, before the last meeting of the Scrutiny Committee, of the relationship between the aQovia Companies and the role of the aQovia Group as a holding company. The Group Director Business Transformation confirmed that he knew there was a holding company, which was registered at Companies House, but that he was not aware of the fine detail of the relationships of companies and individuals.

83. Consideration of Cabinet Decisions

The Director of Law and Democratic Services submitted a report introducing decisions arising from the Cabinet meeting held on 14 April 2010 and inviting the Committee to reconsider the decision at Minute 120 of the Cabinet meeting held on 31 March 2010.

125. Crematorium Refurbishment – Capital Programme 2010/11

Councillor Des Moffatt referred to this capital investment, noting that charges were to be levied to recover the investment over a twenty year period. He accepted that it was normal to start with a low recovery of debt and recover investment over a longer period and on this basis he was disappointed with the proposals and hoped that there would not be a 50% increase in the fee structure as a result. Councillor Fionuala Foley replied that the crematorium was currently in a disappointing condition,, that the current infrastructure was not working and the cremators needed to be replaced due to the level of mercury in the current equipment. The Council was charging a levy for this replacement equipment in order to prevent an environmental charge being made against the Council. Unfortunately, given the Council's budgetary position, the additional charges being levied were needed to improve the facilities for all users.

In response to a question by Councillor Derique Montaut, Councillor Fionuala Foley stated that the Whitworth Cemetery should be fully operational in approximately eighteen months' time.

Councillor Derique Montaut asked whether any discussions had taken place with the Muslim community regarding setting aside some land for Muslim burials.

Councillor Fionuala Foley responded that she was happy to talk to all faiths in the Swindon area; this might be regarding how best to use existing facilities or the need to examine alternatives.

126. Care Quality Commission Inspection of Swindon Borough Council Homecare November 2009

Councillor Derique Montaut congratulated the Cabinet Member and all the staff concerned with the inspection results. He enquired whether there would be any implications to service and performance as a result of the recently set budget.

Councillor David Renard thanked the Chair for his comments and replied that the Council would endeavour to continue to provide an excellent service that represented Value for Money.

128. Revenue Budget Management 2009/10

Councillor Des Moffatt asked if meetings with officers arranged to consider budget pressures could be moved forward. Councillor David Renard noted that Adult Social care was a demanding service with huge pressures, budgetary work was on-going and he believed that the service could be delivered within budget through careful monitoring and the Council's transformation programme.

Councillor Derique Montaut asked if there would be cuts to services arising from the recently approved budget. Councillor Roderick Bluh noted that any cuts would be minimised through the transformation of service delivery and the remodelling of services where appropriate. He assured the meeting that services to the most vulnerable in the community would be maintained.

Councillor Des Moffatt asked for clarification regarding the potential £2.622m overspend. The Director of Finance noted that work had been on-going to limit the potential overspend in the Financial Year 2009/10 but the exact figure was not yet known.

Councillor Justin Tomlinson asked about the current position with the Highworth Recreation Centre and Trust and asked if the Council had taken on any potential losses. Councillor Keith Williams advised that meetings were on-going with the Highworth Recreation Trust to identify a way forward, particularly in relation to monies owed to this Council. There was a potential risk to the Council but where possible this was being limited and no debt had been transferred to Swindon Borough Council.

Councillor Justin Tomlinson welcomed the active role taken by the Council and advised that its efforts were much appreciated by the Highworth community. He

noted that business plans were not always realistic and urged that income generation be discussed as part of any proposed solution.

129. Swindon Capita Partnership: Progress, Achievements and Challenges

Councillor Des Moffatt referred to the Capita Schemes set out on page 59 of the Cabinet papers. He felt that there had been a reduction in priorities and a failure to consistently achieve targets. He also referred to the input of user codes by officers and members at all printers and photocopiers and questioned whether this led to a hidden cost of time taken to do this. Councillor Keith Williams advised that the use of pin codes on machines was intended to change behaviours and to make people consider whether they needed to run off hard copies. It was also intended to help with monitoring budget accounts.

130. School Admission Arrangements

Councillor Derique Montaut advised that he had recently visited the Academy and that he had been impressed with the discipline and behaviour of the pupils. He congratulated the School Head. Councillor Garry Perkins thanked the Chair for his comments.

Councillor Justin Tomlinson noted that the issue of school admissions was one of the most emotive subjects Ward Councillors faced. He noted that Swindon was in the top ten per cent in the country in matching parental preferences with school placements but noted that parents needed to be given up to date and correct information regarding the availability of school places. He noted that the vast majority of parents abided by the rules and asked if, when a school was oversubscribed, checks were made on addresses given. Councillor Garry Perkins felt that this would be an onerous process and he would not like to undertake it in all cases, but, if specific information relating to particular families was received, this could be considered. Councillor Tomlinson suggested that the Council Tax list could be used for this purpose. Councillor Garry Perkins noted that this would still present problems, for instance, where Council tax was being paid on two properties.

131. Bus Services Penhill, Swindon – Motion at Council

Councillor Stan Pajak asked whether paragraph 2.3 of the report was contradictory to the recommendations. Councillor Eric Shaw noted that no schools in Swindon offered a dedicated bus service funded by the education department. He added that rural areas would be entitled to ask why they should not have the same facilities as Penhill and that there should be a common policy applicable across the Borough.

Councillor Justin Tomlinson referred to the 500 signature petition submitted to Council by Mr Andy Harrison and pointed out that if the bus companies considered the service viable they would provide it. Clearly, the bus companies did not consider this to be the case.

Councillor Garry Perkins advised that the issue of the bus service had been considered as part of the Safe Routes to Schools Programme. He pointed out that the current service was better than those used by pupils to other educational establishments, noting that the current service stopped within 150 metres of the school gates. The Council was reducing other services and the main priority on

school transport was for pupils with Special Educational Needs. With regard to demand for the service he had been informed of only one occasion when there was insufficient space and that was due to a service delay as a result of icy roads. He commented that there had been less than 20 parents at two public meetings and no parents had contacted him directly regarding this service. He also stated that he had been advised that the bus size could not be increased because of the wheel base of larger buses and the route concerned.

Councillor Moffatt felt that the numbers used to inform the discussion were incorrect.

Councillor Perkins commented that £42,000 had been allocated to Safer Routes to Schools. This would pay for one bus for one year which didn't offer value for money and would unrealistically raise local expectations that this bus service would remain after this period. It would be unfair to subsidise one bus service when many other schools could argue they had a similar or greater need.

120. Wi-Fi Loan Advance to Digital City

The Chair made a short introductory statement, advising the meeting of the reasons behind the Scrutiny Committee's decision to refer this matter back to the Cabinet for further consideration.

Councillor Roderick Bluh acknowledged the Chair's comments and responded that this meeting should concentrate on new information. He referred to the registration of Directorships and the relationships of the Digital City Board to aQovia, adding that he felt that the papers presented to various meetings of the Council had addressed these issues clearly and in a satisfactory manner. Nothing had fundamentally changed, there were some paperwork errors but he hoped that these had all been corrected. He referred to the draft Internal Audit report that suggested that due process had been followed and he believed that the project was sound, properly constituted and that due process had been followed. He noted that Councillor Garry Perkins paperwork for Directorship would be completed shortly.

Councillor Bob Wright indicated that he had requested additional information or clarification through the Scrutiny Committee on a number of occasions because of issues raised by Councillors and the public which he felt remained unanswered. He was also concerned about previous assurances summarised in the report and questioned what additional actions might be taken by the Council's the External Auditor.

Councillor Bluh noted that this was a fairly straightforward arrangement and that delays suffered had proven to be very frustrating. There were a number of suggestions that things "were not quite right" but no evidence had been provided to back these assertions up with the exception of minor problems with non-critical paperwork. No evidence had been produced that there was anything wrong with aQovia and that evidence supported the company having sufficient expertise and was a solid company. The decisions made with respect to Wi-Fi were, in his opinion, in the best interests of Swindon Borough Council. Problems were perceived because such undertakings raised sensitive commercial. The loan provided included interest payments and security and had zero cost to the Council. Due process had been followed and any misunderstandings had been explained. He noted that hundreds of questions had been received many of which were minor variations on previous

questions or trying to find new angles to attack the project. He felt a chance had to be given for the project to deliver its potential benefits to the people of Swindon.

Councillor Garry Perkins noted that aQovia had a proven track record and referred to a contract with British Telecom on the Isle of Man as an example of previous work they had undertaken. He noted that the loan of £450,000 for two years was relatively small in the scheme of Council projects but was the subject of the same probity as other schemes. He felt that this project offered a huge chance for Swindon and pointed out that many other Councils across the country had shown an interest in becoming involved in similar projects.

Councillor Derique Montaut asked the Leader of the Council whether he felt that things could have been managed better. Councillor Roderick Bluh replied that he had been open from the first meeting on the need for a decision making process. Speed and confidentiality was needed with the Wi-Fi project and without this the deal would never have happened. He noted that the Council's Corporate Governance Working Party would examine this issue and examine improvements for the future together with ways of making the process more open. The decisions made were about achieving outcomes for Swindon and the manner in which these decisions had been made entirely lawful.

Councillor Vera Tomlinson indicated that she had some questions that needed to be addressed at the last meeting of the Scrutiny Committee but felt that these had been fully answered by Cabinet. She was now satisfied that outstanding issues had been addressed.

Councillor Des Moffatt referred to the delegation to officers to make determinations in liaison with the Leader of the Council and Cabinet Member. He was confident that officers had worked in the best interest of Swindon Borough Council but was concerned at the low public subscription to the Wi-Fi scheme. He asked that officers seek clarification on current users and members of the public interested in subscribing before they take further action.

Councillor Des Moffatt moved and Councillor Derique Montaut seconded the following motion:

"That the Scrutiny Committee welcomes the information provided over the weekend by Cabinet and that, in order to move forward without damaging the Wi-fi project with further delays:

- the Scrutiny Committee supports a request to the Borough Council's Auditors that they review all aspects of the Wi-fi loan arrangement including the Internal Audit report to offer conclusions on whether due process was followed and Best value principles adhered to.
- the External Auditors report and conclusions be presented to the Scrutiny Committee when complete.
- the Scrutiny Committee move the decision made by Cabinet.

The Motion was put to the vote and declared lost.

Councillor Vera Tomlinson moved and Councillor Mavis Childs seconded: "That the Scrutiny Committee decides that it is satisfied with the answers and information that it has received and passes the Cabinet decision set out in Minute 120 through."

The Motion was put to the vote and declared carried.

(Councillors Des Moffatt, Derique Montaut and Stan Pajak requested that their vote against the above resolution be recorded.)

(Councillor Keith Williams made a personal and non-prejudicial declaration of interest in respect of Agenda Item No. 4 as he had a relative who worked for Capita.)

(Councillor Garry Perkins made a personal and non-prejudicial declaration of interest in respect of the above item as he had been appointed by the Special Committee on 25th March 2010 as the Council's representative on the Board of Digital City (UK) Limited.)