

SCRUTINY COMMITTEE

WEDNESDAY, 22 JANUARY 2014

PRESENT:- Councillors Kevin Small (Chair), Michael Dickinson (Vice-Chair), Emma Faramarzi, Brian Ford, Mary Friend, Cindy Matthews, Des Moffatt, Maureen Penny, Stan Pajak, Robert Wright, Vera Tomlinson, Michael Bray and James Robbins

Apologies for absence were received from Councillors Andrew Bennett and John Ballman

50. Declarations of Interest

The Chair reminded Members of the need to declare any known interests in any matters to be considered at the meeting.

51. Public Question Time

The Chair reported that a total of 34 questions had been submitted in writing by the following residents of the Borough, all concerning the Committee's consideration of the report of the Digital City(UK) Ltd Task Group (Minute 52 below refers).

Mr Terrence David Reynolds
Mr Richard Symonds
Mr Brian Cockbill
Ms Carole Bent
Mr Des Morgan.

The Chair advised the meeting that it was his intention to put each of these questions at the commencement of the Committee's consideration of Agenda Item No. 4 ("Report of the Digital City (UK) Ltd task Group"), to be answered by Councillor Des Moffatt, the Chair of the Task Group, and/or the other members of the Task Group, Councillors Brian Ford, Peter Heaton-Jones and Bob Wright, or by himself, if appropriate.

Ms Kareen Boyd, a resident of Old Town, asked a question regarding the process for dealing with the Digital City (UK) Ltd Task Group's report and, specifically, the conclusions and recommendations therein.

The Chair responded to Ms Boyd's question.

52. Report of the Digital City (UK) Ltd Task Group

Further to Minute 36 (2012/13), the Committee received the Final report of its Task Group established to review the final accounts of Digital City (UK) Ltd. The Committee was invited to consider the report, and the specific conclusions and recommendations therein, and to determine what, if any, further action should be taken.

The Chair read out each of the 34 written public questions that had been received regarding the Final Report of the Digital City (UK) Ltd Task Group. Councillor Des Moffatt, the Chair of the Task Group, and/or the other members of the Task Group, Councillors Brian Ford, Peter Heaton-Jones and Bob Wright, or, when appropriate, the Chair of the Scrutiny Committee, responded to each question.

Following the responses to questions submitted by members of the public, the Chair of the Task Group and the members of the Task Group responded to members' observations and questions regarding the report and, in particular, the following specific conclusions and recommendations of the Task Group:

Conclusions of the Task Group

1. A decision-making process was used which was lawful but which prevented the regular checks and balances of the Council from taking place. This led to a decision being taken that the Task Group believes was not in the best interests of the Council. The Task Group considers that the advice of the Director of Law and Democratic Services should have been followed and that the decision should have been made by Cabinet.
2. The then Leader of Council selected the decision-making route on the grounds of commercial confidentiality and, at the time, this prevented a wider critical appraisal of the project taking place. Key members of the Administration and some senior officers were persuaded by Mr R Hunt that confidentiality was necessary in starting up and delivering the project. This in turn led to a failure to ensure value for money on the project. It is acknowledged that some members of the public, press, administration and opposition did seek to get value for money.
3. The Price Waterhouse Cooper report adds little to the body of evidence.
4. It is the opinion of the Task Group that there should have been a demand for evidence of the existence of other investors prior to the recommendation to advance a further £250,000, as contained in the report to Cabinet on March 10th 2010.
5. The Task Group considered that Mr R Hunt's own admitted lack of technical skills, as stated to the Task Group, affected the project's chances of success.
6. The Internal Audit report relied upon information that turned out not to be reliable.
7. The Task Group feel that it is regrettable that successive Swindon Borough Council representatives failed to get control of the project until June 2010.

Recommendations of the Task Group

1. The protocols for delegated decision making should be amended to include a maximum investment, capital money where that applies and revenue commitment where that applies or both, whether a "Lead Member Briefing Note" is used or is not used. The maximum of which is to be determined by due process.
2. All Lead Member Decision Notes should in future be a part for report only of Cabinet Meetings so that scrutiny of said decision/s is available. They will not therefore be a matter for the Council agenda save as a Cabinet minute for report.
3. The Head of Internal Audit should consult with the Chair of the Audit Committee on the content of all audits that have been specifically

- commissioned by the Audit Committee before they are finalised prior to publication.
4. A review is required of what constitutes Exempt (private) information, how this information is reported to elected members and how it is used in the decision making process. This review should be reported to Full Council via the Scrutiny Committee during the 2014-15 Municipal Year.
 5. A review of the Council's approach to Risk Management and delivering Value for Money is required by the appropriate Committee, this review should be reported to Full Council via the Scrutiny Committee during the 2014-15 Municipal Year.
 6. The Council should continue to look to develop innovative ideas and services and should be supported in taking the appropriate risks required when necessary.

Resolved – (1) That the conclusions of the Digital City (UK) Ltd Task Group, as summarised above and set out in Section 4 of the Task Group's Final report, be accepted.

(2) That Cabinet be recommended to endorse the following recommendations of the Scrutiny Committee, as amended and set out below:

- a) The protocols for delegated decision making should be amended to include a maximum investment, capital money where that applies and revenue commitment where that applies or both, whether a "Lead Member Briefing Note" is used or is not used. The maximum of which is to be determined by due process.
- b) The Head of Internal Audit should consult with the Chair of the Audit Committee on the content of all audits that have been specifically commissioned by the Audit Committee before they are finalised prior to publication.
- c) A review is required of what constitutes Exempt (private) information, how this information is reported to elected members and how it is used in the decision making process. This review should be reported to Full Council via the Scrutiny Committee during the 2014-15 Municipal Year.
- d) A review of the Council's approach to Risk Management and delivering Value for Money is required by the appropriate Committee, this review should be reported to Full Council via the Scrutiny Committee during the 2014-15 Municipal Year.
- e) The Council should continue to look to develop innovative ideas and services and should be supported in taking the properly understood and evaluated risks required when necessary.

(3) That Cabinet be recommended to consider re-introducing the Procurement Advisory Group.

(4) That this Committee does not support the recommendation of the Task Group in relation to the Cabinet Member decision note process (paragraph 5.3 of the Task Group report refers) believing the suggestion would stifle accountability.

(5) That, further to (4) above, the Committee recommends to Cabinet that, in addition to being reported to Full Council, Lead Member Decision Notes are also reported to the Scrutiny Committee for scrutiny and that it be noted that, as at present, Cabinet Member decisions can be actioned after the specified call-in period.

(6) That this Committee recommends Cabinet to ask the Chief Executive to refer the Digital City (UK) Ltd matter to the Police.

(7) That Councillors Des Moffatt, Brian Ford, Peter Heaton-Jones and Bob Wright be thanked for diligence and extreme hard work in completing the function of this Task Group and for the production of a very comprehensive and informative Final Report.