

Minutes of the Corporate and Economic Strategy Select Committee

**Thursday, 2nd November 2023 at 6.00 pm
In Committee Room 2, The Council House, Dudley.**

Present:

Councillor D Stanley (Chair)
Councillor S Henley (Vice-Chair)
Councillors J Foster, E Lawrence, W Little, S Mughal, N Neale, C Reid, and P Sahota

Officers:

C Blunn (Corporate Performance Manager), F Parrett (Head of Commercial) S Haycox (Corporate Performance Support) and K Buckle (Democratic Services Officer).

Invitee:

P Atkins (Cabinet Member for Corporate Strategy)

Also in Attendance:

M James (Commercial Manager) - Observer

26 Opening Remarks of the Chair

The Chair welcomed those present to the meeting including those Councillors that had recently been appointed to the Committee and those who were substituting for absent Members.

27 **Apologies for Absence**

Apologies for absence from the meeting were received on behalf of Councillors C Eccles and A Hopwood.

28 **Appointment of Substitute Members**

It was noted that Councillors C Reid and W Little had been appointed to serve as a substitute Members for Councillors C Eccles and A Hopwood respectively for this meeting of the Committee only.

29 **Declarations of Interest**

No member made a declaration of interest in accordance with the Members' Code of Conduct.

30 **Minutes**

Councillor J Foster referred to Minute number 20 – Stalled Sites – Strategies for bringing back into use privately owned vacant land and property – Members questions referring to paragraph n) advising that the training had been requested for all Members with the training requested being in relation to neglected and stalled sites, although it was agreed that previous training had been more suitable for officers than members.

The same Councillor referred to Minute number 21 – Consultation Process Review across the Authority – this paragraph under e) – line four stating that the word majority should be replaced with the word many as she was only aware of the community groups that had been targeted within her Ward.

Resolved

That subject to the amendments referred to above the minutes of the meetings held on 30th August and 6th September 2023, be approved as a correct record and signed.

31 **Public Forum**

No issues were raised under this agenda item.

32 **Commercial Strategy**

A report of the Director of Digital, Customer and Commercial Services was submitted to provide an update on the commercial strategy, core commercial activity and key projects and to assure the Committee on the value of the work undertaken by the Commercial team.

The Head of Commercial gave a detailed presentation to the Committee and in doing so referred to the objectives of the strategy, the definition of commercial activity in Dudley, the aligned values to the values of the organisation and the volume of commercial services that were supported by a team delivering core commercial functions.

It was reported that the team was small and as a result had to prioritise their activity with a clear set of priorities that could include introducing new services, changing offers, the commercial approach or ceasing services. There was the need for the Authority to deliver services effectively and at the same time operate as a business.

It was noted that Regeneration and Enterprise generated 60% of commercial income during 2022/23 and schools were the key commercial customers generating 38% of the commercial income for the same period.

Work was also underway with the Council's Communications and Public Affairs team in relation to the Himley Hall bonfire, advertising space income, town centre rentals and the Mayoral Business Club.

The Directorate Plan actions, objectives and key performance indicators (KPI's) for 2023/24 were outlined and it was noted that the KPI's had been met last year and were on target to be met this year.

A graph was displayed containing those services that had potential growth, those that were in deficit, profitability and surplus and it was reported that working with services to increase profitability was taking place and there was a real shift in focus leading to improved governance, profitability, and accountability.

The challenges that were faced included resistance from service areas when officers may not have adequately briefed members on the impact of commercial decisions. The Finance structure and methodology did not allow the easy access to the profitability of a service meaning additional resource to manage this. A lack of an overarching effective commercial approach requiring investment in systems, resources, and customer communications.

The speed of responses with the need to react quickly in a challenging Council environment was required and work was being conducted with officers to enable them to make decisions through the appropriate governance process.

Core commercial activity to date was referred to with baseline financially sustainable work continuing with finance and service areas where budgets were agreed collectively.

There was a review of the pricing strategy across the organisation. Collaborative decision making to achieve the maximum revenue that customers could sustain continued with this impacting on the excess of £700k being achieved in 2023/24 with regards to Regeneration and Enterprise.

It was reported that following commercial initiatives and interventions successes had followed with the launch of Connect2Dudley on 5th September 2022, with drivers to grow income, reduce recruitment costs and improve the quality of agency staff which had resulted in a forecasted surplus of £240k by year five ahead of schedule in April 2023.

The agreement to invest £0.5m in a play area facility at Himley Hall, bringing additional customers and revenue to the site with a forecasted cumulative surplus of £582k by year five.

The agreement to invest £0.65m at Dudley Town Hall, improving the venue and the offer, increasing the number of events, footfall and secondary spend.

The price revenue in Telecare with a potential increase of £600k in income per year from 2023/24.

Working closely with schools continued with a good retention policy.

Himley bonfire would be in profit this year following work with Communications and Public Affairs.

The deliverable income forecasted for 2023/24 was £2m and £3m for 2024/25.

Following the school meals review, project management of the closure of the service to time and to budget driving forward activity to ensure agreed savings were delivered.

There was the plan for the cessation of the Digital Grid for Learning from 1st September 2025, alongside technology colleagues who would be developing a new commercially viable offer to schools.

Working with 322 schools on the delivery of 68 services continued with work to retain as much profitable business as possible.

Monitoring performance, setting clear targets, and taking action to improve sales continued at the Leisure Centres, Himley Hall, Town Halls and Brooke's Bistro.

Difficult decisions were made in relation to school meals due to the deterioration in finances, with 37% of schools moving to new providers. There was a £1.1m subsidy for school meals during the current financial year and a £1.2m subsidy for 2023/24, with little option available other than increasing the cost of school meals by 30-40% to cover the subsidy. There was the need to ensure the quality of services and minimise the impact on staff.

There had been positive outcomes with 17 of 69 schools transferring to new providers, 11 having a clear plan with an agreed date, 17 with a plan in place, 17 out to tender and 7 schools considering their options.

In relation to Connect2Dudley the objectives and additional objectives contained within the presentation were referred to and it was reported that at the end of quarter 1 the service was in a profit position, sooner than expected. A revised forecast illustrated that at the end of the first full year of trading the service would be ahead of forecast by £27k and a full year profit position, 12 months ahead of schedule.

Phase two would focus on commercialisation with a soft launch taking place in January 2024. The two-year ventures forecasted a total cumulative profit of £865k to be shared between the partners.

Members asked questions, made comments and responses were provided where appropriate as follows: -

- a) Councillor N Neale, referring to the predictions above, asked whether they would be impacted upon by the budget setting process and the savings required. There was a request to be provided with revised figures following the budget summit and how the projection would be revised.

In response the Head of Commercial stated that all other budget changes would not impact on the projected trajectory for Connect2Dudley.

Some customers had been lost in relation to the Telecare service and projections may need to be reviewed regarding that service due to customer demand. The Head of Commercial was confident with all other forecasts contained in the report and presentation submitted.

- b) Councillor P Sahota in referring to the Commercial Strategy and the policy changes regarding delivery of services for the borough questioned why Equality Impact Risk Assessments had not been carried out and none had been identified although the Telecare service would be used by vulnerable people.

It was questioned whether the Council's Human Resources section had conducted a fact-finding exercise in terms of how services were running at the Crystal Café and why the staff had not been consulted on their ideas to make services at the Café more profitable.

Concerns were raised that the report did not identify any environmental or climate change impacts.

Page 33 of the report submitted detailed all services however there was no information in relation to finance and legal services.

Councillor P Sahota suggested that the Authority were weak in marketing for Brooke's Bistro and Leisure Centres, and although the report referred to work of the Communications and Marketing team, work had not happened to market those facilities.

The Head of Commercial operated within a small team and questions were raised whether that would raise issues in delivery for such large agendas and whether any benchmarking had been conducted with other authorities on how to turn services around and make them profitable.

The Head of Commercial responded stating that Equality Impact Risk Assessments were only required if making any significant changes to any services but in terms of the current report that related to supporting and not impacting on services.

It was confirmed that line managers had been consulted in relation to the Crystal Café who had in turn consulted with staff. It was noted that Commercial are in ongoing contact with services.

It was accepted that capacity within the team was an issue and those concerns had been raised.

- c) Councillor L Johnson requested confirmation as to who would be responsible for the provision of school meals in the future and how did their costs compare to other Authorities.

In response the Head of Commercial stated that every school was able to choose their own supplier and 37% of schools had already chosen to do so with the majority transferring to Shropshire Council, whose charges were similar. It was not anticipated that the costs would rise above the normal price index rate.

- d) Councillor E Lawrence referred to governance processes and how staff were empowered to make those commercial decisions.

The Head of Commercial provided an example in relation to the fees at Himley Hall, with the increase in fees and charges requiring authorisation of the Cabinet Member, however where there was an interest expressed in multiple bookings and a reduction in fees could be provided, the Head of Service had delegated authority to approve rather than going back through the process of the fees and charges.

It was a similar case in relation to Brooke's Bistro in that the line management structure could approve price changes as appropriate.

- e) Councillor J Foster raised concerns in relation to contracting out in relation to school meals, comparing that to contracting out civil parking enforcement. Should school meals be contracted out parents money would not be received by the authority but instead transferred to where the school was procuring, and if Shropshire Council could provide a comparable service, why in Dudley has a success not been made of the service.

The Head of Commercial stated that Dudley Council were making a loss, losing £1m with more money being expended than received. Shropshire were a larger entity and as a result able to grow their offer and rely on economies of scale. Dudley Council's competitors had continued to grow and cut the service in every way possible.

Councillor J Foster stated that Shropshire Council was a unity and not a large Authority in terms of population and in terms of budgets was unsure how they compared to Dudley Council. There was the need to examine what was going wrong with the service in Dudley. It was questioned how the system had failed and what had resulted in that failure.

The Head of Commercial stated she was unable to answer questions on the operational success of the service but would refer the question to the Head of Corporate Landlord Services for a response.

In terms of finances there had been a slow deterioration of customers in her opinion resulting in the service struggling and subsequent complaints in relation to the quality of services being received. Schools had subsequently spoken with their feet and left and with academisation it had become apparent that service provision would reduce.

Councillor J Foster referred to the longevity of the service and although aware of the concerns relating to the quality of meals believed that the decision should have been called in for scrutiny, in order that failures could have been identified. As the Authority were following the commercialisation route, unless satisfied that the whole system would work, concerns were raised that a dire financial situation could result.

Councillor P Atkins stated that the decision in relation to cessation of school meals was contained in the Medium-Term Financial Strategy that was submitted to both the Cabinet, Full Council and Select Committees for scrutiny, with that scrutiny process already taking place. There was a large difference in the number of schools in Shropshire as opposed to the Dudley borough, with Dudley Council unable to match their offer, however the operational delivery of the school meals service did not form part of his remit.

Councillor J Foster suggested that prior to considering outsourcing, the position in relation to the provision of school meals required a dedicated session to explore where failings had occurred and examine the position in comparable authorities.

The Head of Commercial advised that benchmarking exercises were conducted, and many authorities had been consulted which had revealed that the South Gloucester and Luton Borough Council had moved away from providing school meals with other authorities moving to put the provision into a different model or reduce the offer. Staffing costs were also a factor in terms of Local Government Terms and Conditions having to be met and pension costs.

Councillor J Foster referred to the arrangement with Kent County Council and the opportunity to collaborate with the other authorities mentioned to provide a service.

The Head of Commercial reiterated that every individual school determined who they entered into contracts with for the provision of school meals and it was schools who were making their own decisions under their own governance structures.

- f) The Chair expressed concerns in relation to Telecare services, as previously those costs were factored into the housing budget and the residents who benefited from the service were paying council housing rent. It was queried how many clients had been lost from the service.

The Head of Commercial confirmed that this was an operational question and would need to be investigated further to provide a definitive response, however it was in the region of 50% of customers so far and there remained work to contact remaining tenants. As the equipment is hard wired in many properties, some tenants had moved into properties where Telecare was installed, however they had young families and did not require the service.

It was reported that the cost of Telecare could be reduced by benefits and a reduction would be applied for those tenants in receipt of income related council tax reduction.

- g) Councillor C Reid referred to her work in sheltered schemes referring to the provision of Telecare being a real lifeline for some and enquired of the position in relation to those receiving limited private pensions and on limited benefits.

The Head of Commercial provided assurances that those in sheltered accommodation would not be charged for the service. It was also stated that those receiving council tax reduction due to income related benefits would receive financial reductions in relation to the Telecare service. Adult Social Care colleagues may also be able to assist with financial advice regarding benefits for Telecare services.

- h) Councillor E Lawrence enquired from a commercial element what work was being completed in relation to the 2025 analogue switch off for Telecare Services.

In response the Head of Commercial advised that Housing and Adult Social Care colleagues were working in collaboration with the Director of Digital, Customer and Commercial Services to ensure the project moved forward.

Councillor N Neale referred to the increase in charges resulting from the system changes that were required.

The Head of Commercial advised that this was an operational query but her understanding was each household would require a sim card which would be supplied at a minimal cost where possible.

The Chair raised concerns in relation to the elderly who were not conversant with technology.

- i) Councillor P Sahota suggested that marketing was essential to provide key messages to those who were vulnerable and elderly, with the need for the Communications and Marketing team to become involved.
- j) In response to a query from Councillor C Reid the Head of Commercial advised that there would be no need for the internet once the changes were made providing opportunities for savings for many households.

k) Councillor C Reid referred to the high-rise flats within her Ward requesting the provision of any marketing material to re-assure those who were fearful of losing their landlines.

The Head of Commercial confirmed that she would feedback the suggestion to the relevant service areas who were managing the analogue switch off.

Resolved

- (1) That the information contained in the report and presentation contained within Appendix 1 to the report submitted, be noted.
- (2) That the Head of Commercial be requested to: -
 - (i) Liaise with the Head of Corporate Landlord Services to provide details of the operation of the system in relation to the school meal service, how the system had failed and what had resulted in that failure to members.
 - (ii) Advise members how many customers had left the Telecare service.
 - (iii) To advise the relevant service areas who were managing the analogue switch off of the request that elected members be provided with material detailing the analogue switch off to assure those who had concerns in relation to the loss of their landlines.

33 Corporate Quarterly Performance Report – Quarter 1 (1st April – 30th June 2023)

A report of the Chief Executive was submitted on the Quarter 1 Corporate Quarterly performance report covering the period 1st April to 30th June 2023 which aligned to the 2022-25 Council Plan.

In presenting key information through presentation slides, the Corporate Performance Manager stated that of the twelve measures to be reported on there were four on target, one below target and four with no targets with those being noted in the respective scorecards. A further three would be reported on during Quarter 2 and 3. Members were provided with a detailed account of the performance indicators at the meeting.

Reference was made to the three Directorate Service Summary Documents that had been appended to the report submitted, providing an overview of service delivery, service achievements and opportunities for improvement during the relevant quarter focusing on Digital, Customer and Commercial Services, Finance and Legal and Regeneration and Enterprise.

Members were referred to the detail of the benchmarking exercise carried out on the customer satisfaction measures and workforce sickness data measures to ensure that Dudley were comparable and in line with other authorities, and to ensure that there was external context to those pieces of performance information, as contained in the report submitted.

It was noted that the Council Plan from 2022-25 sets out the vision and priorities under four core priorities and the plan was refreshed every three years mapping out the journey and commitment that the Council will constantly strive to improve the method in which services were delivered to meet the needs of local people and to ensure that achievements could be demonstrated and measured.

In concluding the detailed presentation, the Corporate Performance Manager requested the Committee to consider how they would wish to receive the presentation of future reports.

Members asked questions, made comments and responses were given where appropriate as follows: -

- a) Councillor J Foster expressed that she was aware that the Chief Executive was interested to hear about complaints, their timeliness and the investigation process and enquired whether any consideration had been given to the categorisation of those complaints and looking at them in more detail in terms of scrutiny together with the code of conduct of complaints, and making recommendations on procedures, time taken to investigate and outcomes as that was a further area that she would wish to be considered.

In response the Corporate Performance Manager indicated that should Members wish to scrutinise performance further relevant to this committee, she would consult the relevant Heads of Service to present those in the future.

- b) In response to a question from Councillor S Mughal in relation to short term absence, it was noted that the performance indicator did include Coronavirus which was now recorded as a sickness absence, however that indicator did not include those who were working from home.

The same Councillor requested information on what work was being conducted in relation to work related sickness. The Corporate Performance Manager advised that she would consult with the relevant service to explore future reporting to include working from home statistics if this information was recorded corporately, however the management of sickness was the responsibility of managers with support from HR Business Partners.

- c) The Chair suggested the possibility of focusing on individual items in future reports.
- d) Councillor E Lawrence suggested that Members request information on any specific items prior to future meetings in order that the relevant officers can be requested to attend to address those questions/issues.
- e) Councillor J Foster specified that one of the roles of scrutiny was to drive improvement and complaints were an area where there was that need to drive down in terms of improvement. Grievances and Code of Conduct complaints may also be another area for in-depth scrutiny.
- f) Councillor P Atkins agreed with a focused approach.

- g) Councillor J Foster referred to the need to obtain details of the process in relation to complaints, how they were handled and then obtaining feedback. This would in turn provide a focus on how the process could be improved.

The Corporate Performance Manager confirmed that corporately Digital and Customer Services held the data in relation to corporate complaints and suggested the possibility of in future forwarding draft reports to members prior to meetings in order to determine issues that were to be focused upon and in turn the relevant officers would be invited to attend future meetings.

Resolved

- (1) That the information contained in the report submitted be noted.
- (2) That the review of the Directorate and Corporate Key Performance indicators agreed by the Committee in June that were monitored and reported against the Council Plan for 2023 and the benchmarking exercise undertaken, be noted.
- (3) That the Council Plan refresh referred to in paragraph 10 of the report submitted, be noted.
- (4) That the Chair and Vice-Chair in conjunction with the Corporate Performance Manager be requested to consider how future reports should be presented to the Committee above, referring to the suggestions by members above.
- (5) That the Corporate Performance Manager be requested to: -
 - (i) Report on the details in relation to the complaints procedure to include processes, how they were handled and feedback from complainants to include timeliness.
 - (ii) Report on what work was being conducted in relation to work related sickness in future Corporate Quarterly reports.

34 Corporate and Economic Strategy Select Committee Progress Tracker and Future Business

A report on the Progress Tracker and Future Business was received and noted by Members and the following issues and suggestions were made: -

- a) Councillor J Foster raised the issue of no response being received from the Head of Economic Growth and Skills regarding the two resolutions arising from the Stalled Sites – Strategies for bringing back into use privately owned vacant land and property report.
- b) Councillor J Foster referred to future business and queried why reports were being submitted for scrutiny if they were for noting only and the need to drill down underperforming areas within the remit of the committee.
- c) Concerns were raised in relation to the disruption that may be caused in general to two town centres and traders due to the full funding now being obtained in relation to the metro rail, and a request was made for a report to be submitted to a future committee on this issue.
- d) Councillor J Foster stated that the relevant Cabinet Members and Directors should be invited to future meetings of the Committee including the Leader and Deputy Leader.

Resolved

- (1) That the information contained in the report submitted on the Corporate and Economic Strategy Select Committee Progress Tracker and Future Business, be noted.
- (2) That the Senior Democratic Services Officer be requested to contact the Head of Economic Growth and Skills regarding the two resolutions arising from the Stalled Sites – Strategies for bringing back into use privately owned vacant land and property report requesting responses as a matter of urgency.
- (3) That a report on mitigating the disruption that is to be caused in general to two town centres and traders due to the full funding now being obtained in relation to the metro rail be submitted to a future meeting of the Committee.
- (4) That the Senior Democratic Services Officer be requested to invite the relevant Cabinet Members, Directors, Leader and Deputy Leader to future meetings of the Committee as and when required.

There were no questions to the Chair pursuant to Council Procedure Rule 11.8.

36 **Comments of the Chair**

The Chair thanked all Members and Officers for attending and the positive and constructive discussions and contributions made during the meeting.

The meeting ended at 8.00pm

CHAIR