

# **PERFORMANCE & CORPORATE SERVICES OVERVIEW & SCRUTINY COMMITTEE**

**MINUTES** of the meeting held on Friday, 29 September 2023 commencing at 10.00 am and finishing at 12.35 pm

**Present:**

**Voting Members:** Councillor Eddie Reeves – in the Chair

Councillor Brad Baines  
Councillor Donna Ford  
Councillor Damian Haywood  
Councillor Charlie Hicks  
Councillor Juliette Ash

**Other Members in Attendance:** Councillor Calum Miller, Cabinet Member for Finance

**Officers:** Tom Hudson, Scrutiny Manager  
Lorna Baxter, Director of Finance  
Cherie Cuthbertson, Director of Workforce and Organisational Development  
Karen Hopwood, Head of Organisational Development  
Melissa Sage, Head of Procurement and Contract Management  
Michael Smedley, Head of Assets, Estates and Investment

## **33/23 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS** (Agenda No. 1)

Apologies were received from the following:

- Cllr Mallon (Cllr Ash substituting)
- Cllr Johnston
- Cllr Fawcett
- Cllr Middleton

## **34/23 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE ON THE BACK PAGE** (Agenda No. 2)

None

## **35/23 PETITIONS AND PUBLIC ADDRESS** (Agenda No. 3)

None

### **36/23 MINUTES**

(Agenda No. 4)

The minutes of the meeting held on 21 July 2023 were **AGREED** as an accurate record.

### **37/23 COMMITTEE FORWARD WORK PLAN**

(Agenda No. 5)

The Committee considered its scheduled Work Plan and members were advised to make the following amendments to it:

- 1) To consider the BMMR item scheduled for the current meeting at a to-be-scheduled meeting around November
- 2) To request an introduction to the Budget context at that November meeting

Subject to these amendments, the proposed work programme was **AGREED**.

An update was requested regarding the Democratic Processes Working Group. It was explained that the current uncertainty over executive members was holding it up, but that it would then be in a position to resume.

### **38/23 BUSINESS MANAGEMENT AND MONITORING REPORT**

(Agenda No. 6)

It was **AGREED** to defer consideration of this item to the to-be-organised meeting of the Committee in November.

### **39/23 EMPLOYEE ENGAGEMENT**

(Agenda No. 7)

Calum Miller, Cabinet Member for Finance, Lorna Baxter, Director of Finance, Cherie Cuthbertson, Director of Workforce and Organisational Development, and Karen Hopwood, Head of Organisational Development were invited to make a presentation to the Committee on the recent Employee Engagement Survey.

Cllr Miller introduced the survey, which had been undertaken in February 2023 and promoted to all staff members. The survey met with a response rate of 55%, which was believed to be the highest in the organisation's history. Its purpose was to develop a baseline of data on workforce attitudes to enable the tracking of future change, and to understand current issues, particularly in light of the Council's development of the Delivering the Future Together programme. The results highlighted areas of strong performance and areas for development. In response to the results, a corporate action plan was being developed, but data and feedback was also being looked at from a directorate level to determine whether specific interventions and actions needed to be implemented within parts of the Council.

Karen Hopwood, Head of Organisational Development, was introduced as the officer with greatest familiarity with the data and invited to present the key findings. At 55%,

the response rate was over double internal staff surveys, which typically met with responses of 20-25%. This increase was achieved through significant promotion and communication, including writing to staff individually, but also through the employment of competition within directorates. Following questioning, it was confirmed that the Council had not tracked responses based on whether they were made by a full-time or part-time staff member but it was confirmed that the intention was to do so in future surveys. In light of the fact that comparator questions from the previous employee engagement survey had shown an increase in negative responses, a challenge was put as to whether the level of dissatisfaction was a driver in the high rate of responses. In reply, it was explained that the previous survey had been undertaken in the very specific circumstances of Covid, and that it was a significant task to unpick how staff needs were being better met within the lockdown environment than in a more business as usual setting, but one which was being looked at.

Having used an external provider to deliver the survey and analyse the results provided the Council the ability to benchmark itself against other employers. The Council scored within the 'good' category overall, but there were areas on which it could improve. All questions asked could be traced to 8 overriding areas, such as 'my team' or 'leadership'. The Council scored net-positively in all areas.

Respondees were also given the opportunity to provide free-text responses to a number of questions, with over 1000 comments registered. Some of the key findings from these were that staff felt very supported by their managers, and that there was a lot of opportunity for development within the Council overall, albeit that they did not always see those opportunities personally. One particular barrier to development was the lack of time available to take up development opportunities. Areas for improvement identified included the visibility of leadership and clarity of messaging. This had been identified as a priority area for action. The other major theme in terms of improvement concerned wellbeing, particularly in relation to hybrid working and the development of strong working relationships with colleagues in a hybrid environment.

Having established a baseline data set, the plan was to run a streamlined follow-up survey in February 2024 and a further full survey in 2025. These surveys would be augmented by very short, one-question 'pulse' surveys on the intranet to take the temperature of staff on a particular issue at a particular point in time. Work would also be undertaken to analyse the responses of those with protected characteristics to see if any specific issues were identified, though from an initial scan no major outliers were present. The results of the entire survey were also to be housed within the Data and Insight team, to enable the learning to be used in conjunction with other sources of data to inform future work.

An area of challenge concerned the validity of results owing to the confusing nature of some questions. For instance, it was queried whether staff would know how to respond to the statement 'members of my team do not much care for one another' in order to give effect to their views. This issue was recognised, but it was counterbalanced by the fact that including positively and negatively framed questions meant respondees concentrated more, and was thus actually good practice.

Some degree of challenge was put forward by members over whether the actions recorded to address issues arising from the survey over leadership were correctly targeted, with concern that the emphasis was on communicating policies rather than the content of the policies themselves. In the absence of sufficient clarity over objectives and values staff could feel unmoored or directionless. A question was raised whether this issue was primarily operational, or whether it included a political aspect. In response, this challenge was recognised as genuine, and one which senior officers had been working on directly with staff, for example through multiple listening sessions, but also through the DTFT champions, who themselves were now meeting with staff in their areas more regularly and sharing information in both directions. It was senior leadership's intention to bring this learning together with learning from other sources, such as the Wellbeing Survey, to identify the root causes of the challenges and address them. Listening sessions held had not fed back concerns over political leadership. The locus of dissatisfaction with leadership was explored by the committee, and it was confirmed that the highest rate of dissatisfaction was to be found amongst junior and mid-level managers rather than senior managers or non-managers. Further discussion was held over whether consideration had been given over issues of leadership over what senior leadership were doing or not doing, or not doing to the expected standard. To address this issue, a 360 feedback framework had been established for senior leaders to identify, confidentially, precisely those issues.

It was observed that feedback presented an image of a hierarchical organisation in which mid-level managers faced significant stresses but insufficient agency to address the challenges they faced. In reply, it was confirmed that the Chief Executive had identified the need to dilute the Council's hierarchical structure significantly as a priority and steps were being taken to develop much more of a matrix-management environment. The aim was to move to a place where 80% of work was undertaken within a matrix-management style; presently it was estimated to be around 20%. Members asked how this would be monitored and the need to identify measures was acknowledged.

Strong concern from the Committee was raised over the high number of staff reporting that their health was suffering because of work. Learning from the listening sessions undertaken indicated that the primary driver of this was increasing demand on staff without communication of what issues could be dropped to accommodate the additional work. Communication over priorities and developing agency to address these priorities were the main foci of response. However, no overarching approach was being taken to ensure workloads were reduced as well as added to across the organisation. In addition, hybrid working meant more staff working flexible hours, which caused certain staff to feel a pressure to respond to e mails arriving during non-working hours. There was a challenge of adapting ways of working in a hybrid environment to prevent such implicit pressure.

The Committee explored how staff could challenge practices which were unhelpful outside of the linear management structure in the event that their difficulties lay within that structure. In response, it was explained that the 12.3.2 mechanism was built around supporting staff wellbeing, so concerns could be raised with immediate line managers. However, DTFT Champions were also available to provide a non-linear route to raise concerns and issues.

The Committee challenged the intended follow-up of running a significant though reduced survey in a year's time and doing a full survey the year after, highlighting the value of the NHS' annual staff survey which allowed direct comparisons over time.

The Committee **AGREED** to make the following recommendation and observations to Cabinet:

Recommendations:

- That the Head of Paid Service and other relevant officers undertake the following:
  - a) That the staff engagement survey is repeated, in full, on an annual basis
  - b) That future staff engagement surveys are able to differentiate between responses from full and part time staff
  - c) That solutions are developed to address the twin needs of moving to a hybrid working model whilst also ensuring that relationships are developed between more junior and senior staff
  - d) That stronger steps are taken to clarify expectations of staff members around working outside standard office hours
  - e) That further work is taken to understand and unlock the skills which the staff members believe are not being utilised
  - f) That the Council develops measures to understand whether it is achieving its intention to become less hierarchical and more of a matrix-working environment
  - g) That means are developed to allow work which does not deliver value to be dropped, rather than consistently adding to expectations on staff
  - h) That questions be added to future surveys over whether staff consider their work to be of value, and whether they feel it is valued.
  - i) That work is undertaken to convey the inherent value of staff's work, and the value the organisation places on it.
  - j) That fuller comparative data is requested from Best Companies of the Council's performance against other local authorities and report against this data accordingly in future
  - k) That mechanisms are developed to support and develop psychological safety, whereby junior staff feel enabled to challenge senior staff respectfully or pose alternative courses of action in safety without fear of repercussions and that an additional question is added to the survey relating to this
- That the Cabinet monitors the actions and progress against these measures.
- That the Cabinet provides to the Committee a statement as to the actions they are taking from the political sphere to align the Council's objectives, values and priorities with the Cabinet's strategic agenda.

## 40/23 SOCIAL VALUE ANNUAL REPORT

(Agenda No. 8)

Cllr Calum Miller, Cabinet Member for Finance, Lorna Baxter, Director of Finance, and Melissa Sage, Head of Procurement and Contract Management were invited to present a report on Social Value and the Council's Social Value Annual Report 2022/23.

Cllr Miller began the presentation noting that whilst the results showed successes through its social value policy, the first year of reported results meant that the Council was still leaning towards its pilot stages and refinements would be welcomed. Weightings for social value considerations within tenders were a balance between social value and commercial value, but the Council's weightings had been deemed by The Social Value Portal as sitting in the sweetspot where social value was maximised without increasing prices.

Given the ongoing reporting, Melissa Sage was able to provide an updated figure on the value of social value delivered - £900,745. This was an increase from the reported £534k. Seeing promised value begin to be delivered at scale was very welcome. Notwithstanding this, members queried that this figure represented approximately a quarter of the promised delivery and sought assurances that the promised delivery would be fully realised. In response, it was explained that social value only began to be recorded once a contract reached a £100k spend-threshold, meaning that there was a built-in delay between promises and delivery whilst that threshold was reached. Responsibility for tracking the delivery of promised social value was the responsibility of the Council's partner, the Social Value Portal. Commitments made were a contractual obligation, and failure to deliver the promised value would leave the Council with the standard remedies for breaches of contract.

The evidence base behind the idea that a higher rate of weighting for social value would increase costs or put off suppliers was challenged. In reply, it was explained that the Council had followed the advice and experience of the Social Value Portal, a leading organisation nationally on this topic. There was not always a clear correlation between higher social value weightings and more delivery of social value; doing so could favour bigger, national companies versus local SMEs. No case studies had been undertaken by the Social Value Portal, but their advice was based on their assessment of what they had seen put forward at tender stage, evaluation and delivery.

Barring certain exceptions, such as using a framework which does not include social value, contracts above £100k were now subject to a social value weighting. Additional support was provided pre-tender to SMEs, as well as a separate, simpler sub-£100k tendering process. The Council did, however, have to remain within the law, including those with prohibited breaking up contracts to favour SMEs. It was possible to include social value weightings in lower-value contracts, but it would not necessarily be wise as the cost of monitoring could become significant relative to the value of the contract itself and it would require an expansion of engagement by many non-procurement officers with the Social Value Portal. Members reiterated their wish to see the Council doing all it could to simplify the tendering process for smaller organisations.

The Committee queried the tightness of definitions within the social value process and explored whether the terminology allowed potential providers to determine their meaning. In response, the vagueness of much of the terminology in use was recognised. However, the Council had had the opportunity to select which of the government-set Themes, Outcomes and Measures (TOMs) best correlated with its understandings and intentions around social value. The Council's current approach was to use a broad selection of TOMs, so as to allow providers a range of opportunities to provide different sources of social value.

The Committee contested whether it was right for the Council to delegate the interpretation of TOMs to a limited company, as well as investigating whether it could develop its own TOMs. For example, it was suggested that co-operative structures were inherently more socially beneficial than other ownership structures, and that the Council should be weighing this as part of its tender guidelines and evaluations. In response, central government did not deem co-operative ownership to be a social value. This meant the Social Value Portal had not accorded it a TOM. To include any bespoke TOM at the assessment stage of tendering, as required, it would be necessary to determine its financial equivalent benefit and have that adopted by the Social Value Portal. One suggestion put forward by the Committee was to take on board definitions used in Wales, giving effect to the Future Generations Act.

Joint procurement was put forward by the Committee as a means of enabling greater involvement of smaller organisations within large tenders. It was accepted that the Council, bar a small number of social care procurements, was not involved in joint procurement. However, frameworks developed were designed to allow other organisations to use them should they wish. Overall, however, joint tendering did tend to have the impact of increasing contract sizes, which reduced the ability of smaller organisations to compete. The key element was not felt to be joint tendering so much as the pre-engagement work with SMEs to understand the barriers faced by them and to structure tenders in a way that recognised these challenges.

Committee members discussed issues around climate action, noting the paucity of commitments in this area relative to other forms of social value. Further concern was raised over the desirability of some climate-related TOMs, which promoted activities such as carbon-offsetting, which had been deemed to be ineffective at reducing carbon emissions, or innovative measures to reduce carbon emissions, whose efficiency could not be guaranteed.

#### **ACTIONS:**

It was agreed that

- members would be provided the data on the number/value of contracts run by the Council which were subject to social value weightings vis a vis those which were not. Similar data around the number and value of contracts above and below £100k would also be provided.
- A briefing would be held for all members on the Social Value Act 2012
- Melissa Sage to contact the Social Value Portal to ascertain whether those Welsh TOMs relating to Future Generations could be used as part of the Council's chosen set of TOMs.

It was **AGREED** that the Committee would make recommendations to Cabinet on the following, subject to agreement of the draft by the Chair and vice Chair

- 1) The Council investigates how it can undertake greater pre-engagement with SMEs and cooperatives to understand the issues faced in securing contracts.
- 2) The Council clarifies the objectives it wishes to achieve through its social value policy, choosing measures and weightings which support those objectives
- 3) The Council investigate how it might develop a more bespoke model of social value, to include consideration of: how it might support co-operatives to tender for contracts, selecting TOMs which truly drive climate action benefits, and whether Future Generations-related TOMs might be adopted.
- 4) That the Cabinet provides a written outline of the next steps it intends to take to develop and finesse its social value policy

The following observations were also agreed:

- That insufficient progress on progressing the Social Value agenda has been made to date
- That the Council investigate the potential of joint procurement with the Oxford Inclusive Economy Partnership as a means of supporting smaller businesses to participate in more contracts

#### **41/23 CAPITAL ASSET DISPOSAL PROCESS** (Agenda No. 9)

Councillor Calum Miller, Cabinet Member for Finance, Lorna Baxter, Director of Finance, and Michael Smedley, Head of Assets, Estates and Investment made a presentation explaining the Council's capital asset disposal process.

Cllr Miller introduced the topic by explaining that the mere existence of the Council's capital asset disposal process marked significant progress; two years previously the Council's asset register had been out of date, having fallen into disrepair following the integration of Carillion staff into the Council. It was noted that there had been much discussion about the role of members in decisions around disposals of property, particularly given public interest in some sites, and the aim of the process was to provide clarity over how such disposals would be undertaken, keeping in mind its legal obligations around best value. Whilst 'disposal' was the term used to describe the process of determining capital assets to be surplus to Council requirements, engaging with local communities to determine demand for the asset, and going out to market if none arose, did not mean there was either a fire-sale, or that market sales were the only avenue considered. Furthermore, such disposals formed part of a wider strategy in relation to the Council's assets, where decisions on both sales and purchases were made with the Council's long-term financial stability in mind, as well as current and future service requirements. Disagreement was raised by the Committee as to whether the asset register had been in disrepair; were it to have been so there would have been picked up in the Council's audit.



In response to the presentation and report, the Committee raised a number of points including:

- The reason for there being no policy outlining the Council's priorities when making disposals, including who, how the Council would consult, for what purpose assets would be preferred to be disposed of and how different strategic priorities would be weighted.. In response, it was put forward that the best way to get most out of sites, each with their unique characteristics, was to remain completely flexible rather than be fettered by a policy which may not completely align with or appreciate the specific characteristics of the site, nor would it be equipped to include the impact on the Council of outcomes of other disposals on a particular decision. Challenge from the Committee was put forward on the basis that the Council should have some view of the place it wishes to develop and objectives it wishes to achieve through its asset disposals, a high-level perspective sitting above individual assets. It would be valuable for the Council's place-making ambitions to be brought into line with other local strategies, such as the City Council's City Centre Strategy and Oxford West End development. Clearer definition of the Council's priorities would leave officers less exposed when making judgements on the best course of action. One suggestion put forward as a mitigation to this was ensuring full discussion with local members at an early stage to allow opportunities and community wishes to be explored at an early point.
- The absence of reference within the Council's strategic priorities to discussing with cooperative housing providers
- The political shape of the Council, and whether the absence of a majority meant the delegations to the Cabinet member for finance and officer-led decisions ought to be broadened out.
- Learning lessons from other Councils around the decarbonisation of municipal buildings, namely Hampshire County Council, in relation to any move from County Hall to Speedwell House

It was **AGREED** to recommend to Cabinet that:

- It provide greater detail concerning the outcomes it wishes to see when disposing of its assets
- Information about asset disposals is conveyed to opposition parties at an earlier point and consultation with them over potential uses and community contacts undertaken
- It amends the strategic objectives it seeks to achieve through an asset disposal to include cooperative housing within objective 2, and that the Council undertakes to engage with cooperative housing providers.

And to make the following observation:

- Of the value of arranging a site-visit to Hampshire County Council to look at the work in decarbonising their main offices.

## **42/23 COMMITTEE ACTION AND RECOMMENDATION TRACKER** (Agenda No. 10)

The Committee **NOTED** the action and recommendation tracker.

**43/23 CABINET RESPONSES TO RECOMMENDATIONS**

(Agenda No. 11)

The Committee **NOTED** the response to Committee's Cost of Living recommendation.

..... in the Chair

Date of signing ..... 200