

# Agenda

## Scrutiny Management Board

Date: **Tuesday 14 May 2024**

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Time: **2.00 pm**

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Place: **Conference Room 1 - Herefordshire Council, Plough Lane Offices, Hereford, HR4 0LE**

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Notes: Please note the time, date and venue of the meeting.

For any further information please contact:

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If you would like help to understand this document, or would like it in another format, please call Danial Webb, Statutory Scrutiny Officer on 01432 260659 or e-mail [Danial.Webb@herefordshire.gov.uk](mailto:Danial.Webb@herefordshire.gov.uk) in advance of the meeting.

# Agenda for the meeting of the Scrutiny Management Board

## Membership

**Chairperson**            **Councillor Liz Harvey**  
**Vice-chairperson**   **Councillor Jenny Bartlett**

**Councillor Bruce Baker**  
**Councillor Graham Biggs**  
**Councillor Harry Bramer**  
**Councillor Ellie Chowns**  
**Councillor Simeon Cole**  
**Councillor Frank Cornthwaite**  
**Councillor Pauline Crockett**  
**Councillor Barry Durkin**  
**Councillor Toni Fagan**  
**Councillor Carole Gandy**  
**Councillor Peter Hamblin**  
**Councillor Terry James**  
**Councillor Jonathan Lester**  
**Councillor Bob Matthews**  
**Councillor Rob Owens**  
**Councillor Ivan Powell**  
**Councillor Louis Stark**  
**Councillor Pete Stoddart**  
**Councillor Elissa Swinglehurst**  
**Councillor Richard Thomas**  
**Councillor Rob Williams**

## Agenda

### Pages

**1. APOLOGIES FOR ABSENCE**

To receive apologies for absence.

**2. NAMED SUBSTITUTES**

To receive details of members nominated to attend the meeting in place of a member of the board.

**3. DECLARATIONS OF INTEREST**

To receive declarations of interests members of the board in respect of items on the agenda.

**4. MINUTES**

To receive the minutes of the meeting held on 19 March 2024.

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**HOW TO SUBMIT QUESTIONS**

The deadline for the submission of questions for this meeting is 5pm on Wednesday 8 May 2024.

Questions must be submitted to [councillorservices@herefordshire.gov.uk](mailto:councillorservices@herefordshire.gov.uk).

Questions sent to any other address may not be accepted.

Accepted questions and the responses will be published as a supplement to the agenda papers prior to the meeting. Further information and guidance is available at [www.herefordshire.gov.uk/getinvolved](http://www.herefordshire.gov.uk/getinvolved)

**5. QUESTIONS FROM MEMBERS OF THE PUBLIC**

To receive any written questions from members of the public.

**6. QUESTIONS FROM COUNCILLORS**

To receive any written questions from councillors.

**7. HEREFORDSHIRE COUNCIL PLAN - FINDINGS OF THE BOARD WORKING GROUP**

To provide the board with the findings of its working group tasked with reviewing a draft of the Herefordshire Council Plan and its accompanying delivery plan.

[Papers to follow]

**8. FINANCIAL STRATEGY WORK PROGRAMME**

For the board to consider the Financial Strategy Work Programme.

[Papers to follow]

**9. SCRUTINY ANNUAL REPORT**

For the board to consider the Scrutiny Annual Report.

[Papers to follow]

**10. WORK PROGRAMME**

To consider the work programme for the board.

**11. DATE OF THE NEXT MEETING**

Tuesday 16 July 2024, 2pm

## The public's rights to information and attendance at meetings

### You have a right to:

- Attend all council, cabinet, committee and sub-committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting. Agenda and reports (relating to items to be considered in public) are available at [www.herefordshire.gov.uk/meetings](http://www.herefordshire.gov.uk/meetings)
- Inspect minutes of the council and all committees and sub-committees and written statements of decisions taken by the cabinet or individual cabinet members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting (a list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public register stating the names, addresses and wards of all councillors with details of the membership of cabinet and of all committees and sub-committees. Information about councillors is available at [www.herefordshire.gov.uk/councillors](http://www.herefordshire.gov.uk/councillors)
- Have access to a list specifying those powers on which the council have delegated decision making to their officers identifying the officers concerned by title. The council's constitution is available at [www.herefordshire.gov.uk/constitution](http://www.herefordshire.gov.uk/constitution)
- Access to this summary of your rights as members of the public to attend meetings of the council, cabinet, committees and sub-committees and to inspect documents.

### Recording of meetings

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Members of the public are advised that if you do not wish to be filmed or photographed you should let the governance support team know before the meeting starts so that anyone who intends filming or photographing the meeting can be made aware.

The reporting of meetings is subject to the law and it is the responsibility of those doing the reporting to ensure that they comply.

The council may make a recording of this public meeting or stream it live to the council's website. Such videos are made available for members of the public via the council's YouTube channel at [www.youtube.com/@HerefordshireCouncil/streams](http://www.youtube.com/@HerefordshireCouncil/streams)

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Bus maps are available here: [www.herefordshire.gov.uk/downloads/download/78/bus\\_maps](http://www.herefordshire.gov.uk/downloads/download/78/bus_maps)



## **The seven principles of public life**

### **(Nolan Principles)**

#### **1. Selflessness**

Holders of public office should act solely in terms of the public interest.

#### **2. Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

#### **3. Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

#### **4. Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

#### **5. Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

#### **6. Honesty**

Holders of public office should be truthful.

#### **7. Leadership**

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.





**Minutes of the meeting of the Scrutiny Management Board held in Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Tuesday 19 March 2024 at 2.00 pm**

**Committee members present in person and voting:** Councillors: Bruce Baker, Ellie Chowns, Simeon Cole, Frank Cornthwaite, Pauline Crockett, Clare Davies, Toni Fagan, Peter Hamblin, Liz Harvey (Chairperson), Louis Stark and Richard Thomas

**Committee members participating via remote attendance:** Councillor: Jenny Bartlett (Vice-Chairperson)

[Note: Committee members participating via remote attendance, i.e. through video conferencing facilities, may not vote on any decisions taken.]

Others in attendance: B Baugh (Democratic Services Officer), A Clements (Chief Executive Officer, Hoople Ltd), R Hart (Head of Strategic Finance), J Higgins (Democratic Services Support Officer), J Hughes (Head of Chief Executive's Office), Councillor J Lester (Leader of the Council), A Lovegrove (Director of Resources and Assurance), A Pitt (Director of Strategy and Performance) and D Webb (Statutory Scrutiny Officer)

**52. APOLOGIES FOR ABSENCE**

Apologies for absence had been received from Councillor Bob Matthews.

**53. NAMED SUBSTITUTES**

Councillor Clare Davies was present as the named substitute for Councillor Bob Matthews. Councillor Jenny Bartlett was unable to attend in person but participated in the meeting via remote attendance.

**54. DECLARATIONS OF INTEREST**

No declarations of interest were made.

**55. MINUTES**

The minutes of the meetings held on 10 January 2024 and 16 January 2024 were received.

**Resolved:**

**That the minutes of the meetings held on 10 January 2024 and 16 January 2024 be confirmed as a correct record and be signed by the Chairperson.**

**56. QUESTIONS FROM MEMBERS OF THE PUBLIC**

No questions had been received from members of the public.

**57. QUESTIONS FROM COUNCILLORS**

No questions had been received from councillors.

## 58. HOOPLE LTD

The board received a presentation from the Chief Executive Officer of Hoople Ltd ([link to the presentation](#)) which included the slides: *Contents*; *A brief history of Hoople*; *Teckal Status*; *Services to Herefordshire Council*; and *Governance and value for money*.

The Chief Executive Officer responded to questions from board members, the principal points included:

- a. Hoople Ltd acted as a recruitment agency, would work with other agencies to identify candidates for specific roles if requested to do so, and operated a bank of temporary workers, including care professionals.
- b. There was a building maintenance team but the company did not undertake road repairs.
- c. It was clarified that no profit was made on the income from the shareholders but the full running costs were allocated across all service areas.
- d. It was noted that the Board of Directors comprised representatives from the shareholders, Herefordshire Council (2), Wye Valley NHS Trust (1) and Lincolnshire County Council (1).
- e. It was reported that the annual turnover for the current year was expected to be circa £24m; turnover in 2011 had been circa £12m.
- f. With attention drawn to the Corporate Services Savings detailed in 2024/25 Budget Setting ([link to the agenda for Council, 9 February 2024](#)) which identified a saving of £2.142m in relation to 'Reduction in Hoople SLA contract value and workforce service reviews', it was reported that: part of the savings was predicated on revised figures for inflation; invest to save opportunities were being explored to develop other income streams; the company was looking to streamline services and, where services could be automated, reallocate posts of other areas of activity; and redundancies were not expected at this stage, although there may be reductions through natural wastage during the course of the year.

The Director of Resources and Assurance commented on the intention of Hoople Ltd to do things differently and provided the example of the digital transformation of elements of the revenues and benefits service; this would provide users with the option to manage interactions online and would free up staff to focus on other matters, such as administering schemes to support people experiencing financial hardship. It was noted that progress on the delivery of savings and impacts on performance would be reported to Cabinet.

- g. It was confirmed that Hoople Ltd met minimum wage requirements but not the recommended 'Real' Living Wage.

A board member commented that the Employment Panel had discussed support for the Real Living Wage by the council as a whole and suggested that this should be considered by Hoople Ltd.

The Chief Executive Officer said that pay issues were discussed on a regular basis but the company was also mindful of the need to keep costs down; it was noted that Hoople Ltd employees received a modest bonus.

- h. It was confirmed that gender pay gap reports were produced for the company ([link to the gender pay gap reports for Hoople Ltd](#)).

- i. The Director of Resources and Assurance said that there had been series of decisions over time about the transfer of services to and from the company, adding that TUPE (Transfer of Undertakings (Protection of Employment)) maintained the terms and conditions of employees. The Director commented on factors considered during the transfer of transactional processing services and in the establishment of Hoople Care. It was noted that the expertise within Hoople IT Services, including experience with the Business World resource planning system, was attractive to other local authorities.
- j. With reference made to the first slide, *A brief history of Hoople*, it was noted that the Primary Care Trust had been replaced by the Clinical Commissioning Group and then by the Integrated Care Board. In response to questions about Hoople Care, the Chief Executive Officer: commented on the positive feedback received from patients and their relatives at the Hillside Care Centre about their experiences of the health and social care system; confirmed that staff recruitment had been a challenge and provided an overview of ongoing recruitment campaigns; and said that raising the quality of care across Herefordshire was a primary concern.
- k. The Director of Resources and Assurance commented on the recent establishment of the Cabinet Shareholder Committee which would have a role in the governance arrangements for the council's subsidiaries and could influence aspirations in the future; it was noted that, as a Teckal company, 80% of Hoople's income must come from the shareholders, where no profit was made, but the other 20% could be from commercial activities, where profit could be made.

A committee member questioned the potential to generate more income from commercial activities in order to reduce the costs of services provided to the council, subject to capacity and not undermining existing provision. The Leader of the Council said that the Shareholder Committee would provide greater transparency about the direction of travel and would welcome recommendations from this board.

The Chairperson noted that Full Council had approved amendments to the constitution, at its meeting on 8 March 2024 ([minute 56 of 2024/24 refers](#)), to enable the Audit and Governance Committee 'to oversee the council's arrangements in relation to the shareholder governance and function for the companies that the Council has either ownership or membership' (paragraph 3.5.12) and said that it would be helpful for further clarification about the scrutiny remit of the Scrutiny Management Board.

- l. The Director of Resources and Assurance confirmed that key performance indicators and measures were in place, these were being reviewed as part of renegotiations, and there would be greater clarity in future quarterly performance monitoring reports to Cabinet. It was noted that the board may wish to return to this matter in due course.
- m. As an example of identifying opportunities for growth, it was reported that an offer was being developed for health and safety visits for schools, whilst exploring the potential to expand this into a fire risk assessment service for the public sector and the commercial market.
- n. The background to Lincolnshire County Council's involvement was outlined.
- o. It was confirmed that employment practices were similar to those of the council, including the operation of a sickness absence policy. An overview of the company pension arrangements was also provided.

- p. Further details were provided about training and apprenticeships, and the foundation learning programme.

A committee member suggested that opportunities in education and training for looked after children and care leavers should be explored further given the council's responsibilities in relation to the corporate parenting principles and its relationship with Hoople Ltd. Clarification was sought on the involvement of Hoople Ltd in the management of the [Spirit of Herefordshire](#) website.

- q. Pest control services could be considered by the company, although it was understood that there were tight margins for this work.
- r. In the assessment of potential services to transfer, consideration was given to moving a whole service across or to moving staff members but with the management arrangements retained by the council; for example, the council's engineering team commissioned work on Public Rights of Way to be delivered by two Hoople Ltd operatives. The Chairperson commented that this arrangement could provide flexibility, particularly in instances where the council was not able to recruit as fast as may be needed to undertake the work required.
- s. It was reported that Hoople Ltd would open new premises at Auxilium House, Legion Way, Hereford in April 2024; this had been paid for from profits accumulated since 2011 and would bring teams together in a single, energy efficient building.
- t. The board was advised that around 60% of Hoople Ltd's income came from Herefordshire Council and that a full breakdown would be prepared for the Shareholder Committee.
- u. With attention drawn again to the Corporate Services Savings detailed in 2024/25 Budget Setting which identified a saving of £100k in relation to 'Resources & Assurance: automation of Council Tax and Business Rate processes using GovTech solution', it was confirmed that this saving was a net position and would be a recurring saving.
- v. It was noted the 'Hoople' name was selected from suggestions made by staff members and represented 'Herefordshire' and 'people'.

The Chairperson thanked participants for their contributions and noted the value of raising the public profile of Hoople Ltd, particularly the extent to which the company successfully delivered for and with the council. The Leader of the Council acknowledged the hard work of the employees of both Herefordshire Council and Hoople Ltd in providing key services.

At the conclusion of the debate, the Statutory Scrutiny Officer summarised potential recommendations to the executive, as identified by board members during the meeting. Amendments and additions were discussed, and the following resolution was agreed.

**Resolved:**

- 1. That Herefordshire Council's shareholder committee consider a pathway to paying the Real Living Wage.**
- 2. That Herefordshire Council's shareholder committee explore with Hoople the potential to increase its commercial revenue, with a view to reducing the charges it makes to Herefordshire Council.**

3. **Hoople's future gender pay gap reports should include a) comparison with previous years' performance, b) comparison with relevant comparator organisations, c) information on what action they are taking to address the gender pay gap, and d) information on the impact of past actions.**
4. **That Herefordshire Council's shareholder committee seeks to maximise opportunities for looked after children and care leavers through its relationship with Hoople.**

**59. HEREFORDSHIRE COUNCIL PLAN TASK AND FINISH GROUP TERMS OF REFERENCE**

The Chairperson explained that an item on 'Delivery Plan 2023-2024 and 2024-2028 County Plan' had been considered on 21 November 2023 ([minute 30 of 2023/24 refers](#)) and the resolutions of the board included: 'That a Task and Finish Group be convened to provide views and recommendations on the draft County Plan as it continues to develop, with terms of reference to be drafted for approval by the board.'; and 'That Cabinet consider rescheduling the governance process for the County Plan to enable a level of meaningful consultation to take place with the public and with scrutiny, and that the target date for the plan to go to Full Council be revised to become 8 March 2024.'

In response to a question about the current timetable, the Director of Strategy and Performance advised that the consultation had been extended into February 2024, and the 'Herefordshire Council Plan 2024-2028' (formerly known as Corporate Plan – County Plan) was due to be considered by Cabinet in April 2024 and by Council in May 2024.

The Statutory Scrutiny Officer suggested that the board itself could set up a working group to expedite the scrutiny activity on the draft Herefordshire Council Plan and the Delivery Plan, with the findings to be reported to the next scheduled meeting of the board. This suggestion was discussed and supported by board members.

**Resolved:**

**That a working group be convened to consider the draft Herefordshire Council Plan 2024-2028 and the Delivery Plan, with the findings to be reported to the next scheduled meeting of the Scrutiny Management Board.**

**60. FINANCIAL STRATEGY WORK PROGRAMME**

The Chairperson advised the board that issues had been raised about the draft terms of reference for this item, consequently no report had been published for this meeting. Board members were invited to reflect on the scrutiny of the budget during 2023/24 to inform the development of the financial strategy work.

The principal points of the discussion included:

- i. A board member said that there was a need to consider issues around accountability for savings and the management of the budget, especially in view of the level of overspend in the Children and Young People directorate in 2023/24. The Chairperson noted that an overspend had been forecast from Quarter 1 and there was a need to understand why the additional costs were not known sufficiently early enough to inform budget setting.
- ii. A board member considered that there was a need to undertake financial scrutiny activity throughout the year, so that any emerging issues could be identified and management actions could be challenged if necessary. Comments were also made about the implications of overspending for longer term plans.

The Statutory Scrutiny Officer said that the board could look forward in terms of deployment of funding and could look backwards in terms of quarterly reports.

The Chairperson commented on timing issues with the public publication of budget reports, with Quarter 1 published in September and Quarter 2 in November, and the need to explore how there could be an appropriate level of scrutiny input, whilst being mindful of the separation of executive and scrutiny functions.

- iii. A board member questioned whether there was capacity for the Cabinet Member Finance and Corporate Services to provide the board with assurance and feedback on progress, particularly in relation to the Children and Young People directorate.
- iv. In response to a comment about the level of funding allocated to looked after children and care leavers in comparison to other cohorts, the Chairperson suggested that any areas of concern should be referred to the Children and Young People Scrutiny Committee.
- v. There was a discussion about the need for the timing for the development of the delivery plan and the budget to be more closely aligned.

A board member noted the Financial Scrutiny Practice Guide identified 'Reviewing the integration between financial and service planning' as one of the four fundamental areas where effective scrutiny could add value ([link to the Financial Scrutiny Practice Guide](#)).

- vi. A board member suggested that balance sheets should be made available.
- vii. The Vice-Chairperson commented on: the need to explore the potential of real-time corporate dashboards; and the need for responses to be provided to actions identified by the board. The Chairperson added that quick turnaround of requests for additional information was essential given the compressed timescales for budget scrutiny.
- viii. The Chairperson identified other areas for consideration, including: improvements for timely and meaningful public, parish / town council, and stakeholder consultation on priorities; the delivery of the capital programme in order to support communities, the delivery of services, and service transformation; and opportunities around income and charging.
- ix. A board member suggested that the executive needed to consider mechanisms to respond quickly and effectively when issues with delivery emerged.

The Statutory Scrutiny Officer advised that arrangements had been made for a further informal discussion with board members and the revised work programme would be provided for consideration at the next scheduled meeting.

## **61. WORK PROGRAMME**

This item was deferred until the next scheduled meeting.

## **62. DATE OF THE NEXT MEETING**

The date of the next scheduled meeting was confirmed as Tuesday 14 May 2024, 2.00 pm. Proposed dates for 2024/25 were noted.

The meeting ended at 4.28 pm

**Chairperson**