

TRADING BOARD

26 JUNE 2013

- Present :-* Councillor Scott Greenhill (Chairman)
Councillors Kevin Bentley, Andrew Ellis, Bill Frame,
Cyril Liddy and Terry Sutton
- Substitute Member :-* Councillor Helen Chuah for Councillor Julia Havis
- Also in Attendance :-* Councillor Nick Barlow
Councillor Anne Turrell

3. Minutes

The minutes of the meeting held on 22 May 2013 were confirmed as a correct record.

4. Presentation from John Niland, Chief Executive, Central Essex Community Services

The Board received a presentation from John Niland, Chief Executive, Central Essex Community Services (CECS). CECS was a community enterprise, providing a broad range of health and social care services in the community. The presentation focused on the journey CECS undertook in moving from being a traditional provider of services to a social enterprise. In particular he stressed the importance of cultural change in releasing a more entrepreneurial and customer focused approach amongst staff and how removing hierarchical structures encouraged responsibility and empowered staff.

The Chairman expressed the Board's thanks to Mr Niland for his presentation and in discussion the following issues were raised:-

- The importance of training to underpin cultural change; for instance the shift to budgeting through income and expenditure rather than traditional public sector budgeting models had been supported by appropriate training.
- In response to a question on staff ownership, Mr Niland explained that staff at CECS have the opportunity to purchase a share in the organisation and a staff council had a role in running the organisation. However, staff had been clear that they did not wish to see a dividend paid to those holding shares and wished to see any surplus that was generated reinvested in the organisation.
- How relations with unions were handled during the journey towards a social enterprise.
- A member of the Board indicated her concern about the portrayal of nursing staff in the course of the presentation;

RESOLVED that the contents of the presentation be noted.

5. Scoping the Role and Work Programme of the Trading Board

Councillor Frame (in respect of his membership of the Board of Colchester Community Stadium) declared a non pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

Scoping the Role and Work Programme of the Trading Board

Ian Vipond, Director Commercial and Place, presented a report setting out the roles, responsibilities and suggested work programme for the Trading Board. He explained that the role of the Trading Board was to advise Cabinet on its approach to commercial matters and how it could generate income. He highlighted the work underway to develop a more commercial approach within the Council such as the creation of a new Commercial Services Group. It would be for the Board to review the opportunities of those services which had been moved into the Commercial Services Group. It would also look at the opportunities arising from the new trading arrangements for the Community Stadium Company and Colchester Borough Homes. The Board would also need to consider whether the Council had the right commercial skills in the organisation and look at how the culture of the Council could be made more business like.

A number of members expressed support for the principle behinds the establishment of the Trading Board and were excited by the possibilities it offered. It was noted that the Terms of Reference had been agreed by Council when it agreed the governance arrangements at its meeting on 20 March 2013. It was suggested by some members of the Board that the terms of reference were unnecessarily detailed and could hinder the freedom of the Board to “think the unthinkable”, make radical suggestions and take quick action. They appeared unduly process driven and were couched in typical local government language. It was suggested that they should be reviewed and shortened to make them looser and more agile. Concern was also expressed that the Terms of Reference did not explicitly refer to identifying savings or different ways of working. However, it was suggested by some members that the Terms of Reference were there to protect the Board and to ensure that when it made recommendations to Cabinet, it could not be accused of acting ultra vires.

Ian Vipond indicated that there was a dilemma between the prescriptive processes and rules that tended to govern local government processes and a commercial approach. However, this dilemma had been successfully resolved elsewhere.

In terms of reviewing aspects of the Council’s work, it was explained that the Board would not be involved in the Fundamental Service Review (FSR) process. However, it would be invited to review each of the four services that had been moved into the Commercial Services Group. It was likely that for each service, a range of trading opportunities would be put forward and the Board could recommend to Cabinet how it believed these opportunities should be prioritised and taken forward.

Other elements of work that were suggested by members as possible areas of interest for the Trading Board were:-

- Maximising income from antiquities and intellectual property rights owned by the Council;
- The procurement process, particularly the introduction of an ethical element into

the process;

- The rebranding of Colchester Borough Council;
- The commercial work of Leisure Services;
- The possibility of moving the Council's commercial services into a commercial arm outside of the Council;
- The Board should have the ability to look at all Council Services and in particular how council services, such as the Planning Service or Parks and Recreation could be sold to other authorities in order to generate income.

In response to the Panel's suggestions, Adrian Pritchard, Chief Executive, was invited to address the Board. He explained that the role of the Trading Board was to explore how the Council could generate additional income. This work would be done alongside the work to deliver a new customer focused "front end" through the programme of FSRs. That stream of work would be managed and monitored through Cabinet and Scrutiny. He welcomed many of the suggestions that had been put forward but felt that the Board might be best served by first of all looking in detail at some of the major income streams of the Council, such as car parking or the Council's use of its assets. By doing so, it would help the Council meet its target of generating an additional income of £1 million. The confidence and experience it gained through that may help it develop more radical proposals in the future.

In terms of agreeing the work programme, the Board considered that this would be best done by a meeting of the Group Spokespersons. A similar process had worked well for the Scrutiny Panel. The Board also noted that there would be occasions, given the commercial nature of its work, where they may need for quick decision making. It discussed the possibility of establishing a small sub group, but considered that at this stage it should seek to meet as a full Board but accepting that there may be a need to call additional meetings at short notice and accepting that not all members may be able to attend all meetings. It was also noted that some of the material that would need to be considered by the Board would be exempt material due to its commercially sensitive nature and that this might pose some challenges for the Board in being able to act quickly.

The Board noted that it could co-opt external members to sit as non voting members on the Board. However, it was the Board's view that it should develop a better awareness of the skills and experience of the Board members and any skill gaps before considering this issue further. Some concern was also expressed about the public perception of any increase in the Special Responsibility Allowance in the current economic and financial climate.

At the conclusion of the meeting, Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy, addressed the Board. She thanked the members of the Board and emphasised that she was excited by the prospects for the Board. She indicated that she would like the Board to "think outside of the box" and wanted to see the Board up and running as soon as possible.

RESOLVED that:-

- (a) The Terms of the Reference for the Trading Board be noted and that the Chief

Executive be invited to review them;

(b) A separate meeting of the Chairman, Deputy Chairman and Group Spokespersons be convened before the next full meeting of the Board to consider and agree a provisional work programme for the Trading Board;

(c) Consideration of the issue of co-opted external members as non voting members of the Trading Board be deferred to a future meeting.