

NORTH LANARKSHIRE COUNCIL

REPORT

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| To: ALEOs and EXTERNAL BODIES MONITORING COMMITTEE | | Subject: Review Schedule – 2016/17 to 2018/19 |
| From: STRATEGIC ADVISER (EXTERNAL ORGANISATIONS) | | |
| Date: 28 July 2016 | Ref: KH/JL | |

1. Purpose of the Report

- 1.1 This report details the Review Schedule which has been developed to assess whether existing arms' length arrangements continue to deliver Best Value and satisfy the Council's key priorities.

2. Background

- 2.1 At its meeting of 17 May 2016, members noted the Council's significant interests in external organisations and the need to ensure that such delivery arrangements were capable of addressing the Council's public accountability, service delivery and accounting requirements, whilst also improving outcomes and contributing to the achievement of the Council's strategic priorities.
- 2.2 In considering commentary from the Chief Executive's *Future Priorities of the Council and Delivery Model* report (Policy and Resources Committee, December 2015) members acknowledged existing arms-length performance management, governance and resource arrangements needed to be reviewed for the Council to maximise the benefits it receives from operating such arrangements. Accordingly, this Committee, at its meeting on 17 May 2016, approved the development of an arms-length review framework, and noted that the Review Schedule in respect of this would be submitted to this meeting for consideration.

3. Review Schedule 2016/17 – 2018/19

- 3.1 The Review Schedule and reporting timescales are set out in Appendix One. In preparing this Schedule and determining which phase was appropriate for an individual arms' length body, consideration was given to the following factors:
- The existence, or otherwise, of existing "trigger points" within the Council's Service Level or Contract Works Agreement with the organisation to review service delivery arrangements;
 - The level of control or influence that the Council may exert over the organisation and in particular, identifying those organisations where the Council has a 100% controlling interest;
 - The level of funding from the Council to the organisation;
 - The potential, through existing performance information and knowledge already available to the Council, to identify where there may be measurable benefits and deliverables resulting from an earlier review of the organisations; and,
 - Other known opportunities, potential risks or wider corporate considerations.
- 3.2 Members should note that whilst Phase Two reviews are scheduled to begin from June 2017, the scoping and initial analysis elements of these are capable of running alongside the latter stages of the Phase One reviews. The expected timescales in respect of Phase One and Phase Two reviews are illustrated within the Gantt chart which is attached as Appendix 2.
- 3.3 As advised in paragraph 3.1 above, the Review Schedule aligns where possible with review clauses or trigger points detailed in existing service delivery agreements. In retendering the Joint Venture Strategic Partnerships in 2010, the Council made provision for Service Reviews to take place at years four and eight of the ten-year term contract; the requirements and content of these reviews is detailed

within the respective Contract Works Agreements. Notwithstanding this provision, the Council can also, at any time, issue a Notice of Improvement if performance falls below targets specified in the Contract Works Agreement.

- 3.4 The year four service reviews in respect of Mears Scotland LLP and Saltire Facilities Management Ltd were completed as required, with the outcomes reported to Policy & Resources Committee and Housing and Social Work Services Committee on 4 December 2014 and 29 October 2015 respectively. The scheduled service review of the Council's Joint Venture Strategic Partnership Agreement with Amey Public Services LLP is currently underway. Phase one identifies that the outcomes of this review will be reported to future meetings of both the Planning and Transportation Committee and the ALEOs and External Organisation Monitoring Committee.

4. Review Process

- 4.1 All individual reviews will be completed in accordance with the Review Framework and component Review Stages approved by this Committee at its previous meeting. To ensure consistency of approach and optimum output, review methodology will also reflect the wider, corporate approach being taken forward through the Strategic Approach to Budgeting approved at the Policy and Resources Committee at its meeting on 30 June 2016.
- 4.2 As previously outlined, Officer Review Groups will undertake each review with a Review Leader identified and responsible for ensuring the review meets its objectives and provides members with findings, robust evidence and clear options from which to make recommendations about any changes to existing or future arms' length arrangements. Whilst the time to complete individual reviews will vary depending on the scale and size of the organisation and the complexity of the agreement with the Council, it is anticipated that Phase One reviews will be completed within 16 to 20 weeks, commencing following consideration at this Committee and concluding in early January 2017.
- 4.3 Review activity, including interim progress updates and final outcomes and associated recommendations will be reported to this Committee in the first instance with members then having an opportunity to report final recommendations to the Policy and Resources Committee for decision making in line with the approved Terms of Reference.

5. Recommendations

- 5.1 The ALEOs and External Bodies' Monitoring Committee is requested to:
- i) Note the Review Schedules attached in the appendices;
 - ii) Note that interim progress updates on the individual reviews being undertaken in Phase One will be reported to Committee at its next meeting on 17 November 2016;
 - iii) Note that the scheduled service review of the Council's Joint Venture Strategic Partnership Agreement with Amey Public Services LLP is currently underway, with outcomes due to be reported as outlined in paragraph 3.4; and,
 - iv) Agree that final outcomes and associated recommendations in respect of each review will be reported to this Committee in the first instance for consideration before being reported to the Policy and Resources Committee for decision making.



Strategic Adviser (External Organisations)

Arms' Length Bodies: Proposed Review Framework 2016/17 to 2018/19

| Review Phase One – 2016/17 | | | | |
|-----------------------------------|------------------------|---|---|--|
| Arms' Length Body | Review Timeline | Interim Report to ALEOs' Committee | Final Report to ALEOs' Committee | Recommendations to Policy & Resources |
| NL Leisure Ltd | Aug 2016 to Jan 2017 | 17 November 2016 | 16 February 2017 | 16 March 2017 |
| Culture NL Ltd | | | | |
| Amey Public Services LLP | Underway | N/A | | |

| Review Phase Two – 2017/18 | | | | |
|--------------------------------------|------------------------|---|---|--|
| Arms' Length Body | Review Timeline | Interim Report to ALEOs' Committee * | Final Report to ALEOs' Committee * | Recommendations to Policy & Resources * |
| Fusion Assets Ltd | April to August 2017 | May 2017 | August 2017 | December 2017 |
| NL Properties LLP | | | | |
| The Campsies Centre, Cumbernauld Ltd | | | | |

| Review Phase Three – 2017/18 | | | | |
|-------------------------------------|----------------------------|---|---|--|
| Arms' Length Body | Review Timeline | Interim Report to ALEOs' Committee * | Final Report to ALEOs' Committee * | Recommendations to Policy & Resources * |
| Town Centre Activities Ltd | September 2017 to November | November 2017 | February 2018 | June 2018 |
| Routes to Work Ltd | | | | |
| NLC Municipal Bank Ltd | | | | |

| Review Phase Four – 2018/19 – Joint Venture Strategic Partnerships Scheduled Reviews | | | | |
|---|--|---|---|--|
| Arms' Length Body | Review Timeline | Interim Report to ALEOs' Committee * | Final Report to ALEOs' Committee * | Recommendations to Policy & Resources * |
| Mears Scotland LLP | Year 8 Best Value Service Reviews will be undertaken during 2018/19 as specified within the Contract Works Agreements, with outcome thereafter reported to appropriate committees. | | | |
| Saltire Facilities Management Ltd | | | | |

* These are illustrative timescales and are subject to finalisation of the Committee cycles by the Council administration from May 2017

