

# Agenda Item 27.

<b>TITLE</b>	<b>Call-In of Executive Decision</b>
<b>FOR CONSIDERATION BY</b>	Overview & Scrutiny Management Committee on 26 August 2020
<b>WARD</b>	None Specific;
<b>LEAD OFFICER</b>	Deputy Chief Executive - Graham Ebers

## **PURPOSE OF REPORT**

The Call-In process exists to ensure that key decisions are taken in line with agreed principles relating to, for example, openness, consultation and proportionality. This provides public confidence in the Council's decision making process.

## **RECOMMENDATION**

The Committee is asked to:

- 1) Consider the Call-In request, relating to the Executive decisions made on the Capital Monitoring Report, at its meeting on 30 July 2020;
- 2) Consider the separate report which addresses the issue of reusable sacks;
- 3) Having considered the evidence, determine whether to confirm the Executive's decisions or refer the matter back to the Executive for further consideration, with recommendations as appropriate.

## **SUMMARY OF REPORT**

In accordance with the Council's Constitution, five non-Executive Members of the Council have submitted a formal notice "calling-in" Executive decisions relating to the Capital Programme Monitoring Report considered at the Executive meeting on 30 July 2020. At the meeting, the Executive considered the Capital Monitoring Report for the first quarter of 2020/21 (April-June). The report stated that the Covid-19 pandemic had had an unprecedented impact on the Council's finances and, therefore, it was essential that the Capital programme was reviewed closely.

The specific issues relating to the Call-In are:

- The proposed re-phasing of parts of the Capital Programme – Appendix B to the Executive report;
- £600k additional budget for the Dinton Pastures Activity Centre;
- £288k of additional borrowing for the purchase of "hessian" sacks to improve recycling levels (see separate report);

The report sets out details of the Call-In procedure to be followed at the meeting and the options available to the Committee following consideration of the evidence.

## **Background**

At its meeting on 30 July 2020, the Executive considered the Capital Monitoring Report for the first quarter of 2020/21 (April-June). The report stated that the Covid-19 pandemic had had an unprecedented impact on the Council's finances, in terms of both its Revenue and Capital resources. It was, therefore, essential that the Capital programme was closely reviewed to assess the assuredness of funding sources and any changes in service requirements. Council Officers had conducted a review of the Capital programme to identify the re-phasing of projects matched to expected delivery. The Capital Monitoring Report is attached at **Annex A**.

The relevant Minute from the 30 July 2020 Executive meeting is set out below:

### **CAPITAL MONITORING 2020/21 - END OF JUNE 2020**

The Executive considered a report setting out the progress of the Council's Capital Programme as at 30 June 2020.

During his introduction the Executive Member for Finance and Housing advised that the "hessian" sacks, as mentioned in the Revenue Monitoring report, were being purchased via the Capital Budget.

Due to the uncertainty going forward Councillor Kaiser highlighted the changes to a number of projects which had been re-phased, as shown in Appendix B to the report, amounting to £105m. It was noted that these projects were not being cancelled at this stage but were, basically, being deferred.

With regard to the recyclability of the "hessian" sacks Councillor Jorgensen stated that she believed that polypropylene was recyclable. In addition Councillor Kaiser believed that the rubber weights utilised in the sacks were also 100% recyclable and that parts of the bags were actually made from material that had been previously recycled.

Councillor Kaiser also highlighted the additional £600k funding for the development of Dinton Pastures Activity Centre.

### **RESOLVED** that:

- 1) it be noted that the Council's Capital Programme will continue to be reviewed throughout the year in the context of the impact of Covid-19 on funding sources and service requirements, and that any changes will be presented to Executive for approval;
- 2) the proposed re-phasing to parts of the Capital Programme following the 'in-year' review including the impact of Covid-19, as set out in Appendix B, be approved;
- 3) £600k additional budget funded by borrowing for the Dinton Pastures Activity Centre (DAC), for changes necessitated as an outcome of public consultations and planning requirements be approved. The cost of borrowing estimated at £27k p.a. will be covered from expected additional incomes generated by the new activity centre, as set out in paragraph 6 of the Executive Summary of the report;

- 4) a reduction of the Schools Devolved Formula grant budget in the capital programme to £302k, due to the Council receiving £87k less than originally budgeted, as set out in paragraph 7 of the Executive Summary, be noted;
- 5) borrowing of £288k for the purchase of hessian sacks which will have the effect of increasing recycling levels and generating a beneficial financial impact far in excess of the cost of borrowing, as set out in paragraph 8 of the Executive Summary, be approved;
- 6) it be noted that consultants will be engaged within existing budgets to review the noise levels and options with regards to recent major resurfacing works, as set out in paragraph 9 of the Executive Summary;
- 7) the quarter one position for the capital budgets, as set out in Appendix A to the report as summarised in the Executive Summary, be noted.

### **Call-In Details**

In line with the Council's Constitution, the Executive decisions relating to sections of the Capital Monitoring Report have been Called-In by five non-Executive Members – Councillors Bishop-Firth, Conway, Ferris, Jones (Lead Member) and Imogen Shepherd-Dubey.

Details of the Call-In are set out below.

In relation to the Executive decisions (above) we believe that items 2, 3 and 5 should be Called IN for the following reasons:

**Item 2** - There has been no scrutiny of this rescheduling. We do not know what impact on Council services will be or if any of the costs are likely to increase due to any delay. The decision making behind this re-phasing, should be reviewed by OSMC.

**Item 3** - There is no mention of what changes are being made? There is no business case and reports on how this money is to be spent. Where is the decision to make these changes to the project? Why has this not been brought forward for scrutiny and for a decision?

**Item 5** - How can this money be agreed if there has been no decision to change the waste collection process? Where is the report and the business case? Where is the scrutiny? There is a need to examine the choices and agree the change, before agreeing to spend money.

### **Decision Making Principles**

Section 6.3.29 of the Constitution states that all decisions of the Council will be made in accordance with the following principles:

- a) proportionality (i.e. the action must be proportionate to the desired outcome);
- b) due consultation and the taking of professional advice from Officers;
- c) human rights will be respected and considered at an early stage in the decision making process;

- d) a presumption in favour of openness;
- e) clarity of aims and desired outcomes; and
- f) when decisions are taken by the Executive, details of the options which were taken into account and the reasons for the decision will be recorded.

The Call-In is submitted on the basis that:

- Item 2 has failed under principles d, e & f;
- Item 3 has failed under principles d, e & f;
- Item 5 has failed under principles b, d, e & f

### **Call-In Procedure**

The procedure to be followed at the Call-In meeting is as follows:

- The O&S Chairman explains the purpose and structure of the meeting;
- One of the five Members who called-in the decision outlines their reasons;
- Witnesses can be called as necessary and can make a short presentation to the Committee;
- Members of the Committee can ask questions of witnesses;
- The relevant Executive Member/Director responds to the points made in the Call-In;
- Witnesses can be called as necessary and can make a short presentation to the Committee;
- Members of the Committee can ask questions of the witnesses;
- The Committee draws its conclusions and decides whether to confirm the Executive's decisions or recommend that the Executive reconsiders.

The Overview and Scrutiny Management Committee cannot overturn the decisions subject to Call-In. If the Committee has concerns, it can refer the decision back to the Executive for further consideration, with any recommendations the Committee has agreed. If the decisions are referred back, the Executive should carry out the reconsideration within 20 working days.

### **Questions at the Executive**

The following questions were asked at the Executive on 30 July 2020:

#### **Public Question**

Alan Winter asked the Executive Member for Environment and Leisure:

#### **Question**

In agenda item 8, you've described the proposed new recycling sacks as being made of 'hessian'. Can you reassure residents who are concerned about the environmental

impact and guarantee that the hessian bags will be made of natural, recyclable material and not actually made of plastic?

**Answer**

I can confirm that these types of sacks have been generically called 'hessian' but in fact are made from woven polypropylene fibre with a light plastic coating to ensure resistance to moisture. They are though reusable and can last up to 5 years and so they are not a single plastic use. We will though be investigating the possibility of having them recycled when they are no longer usable.

**Supplementary Question**

So basically they are not hessian, which is of a natural material, they are made of polypropylene. Firstly can you stop using the term hessian bags as that is entirely misleading and wrong and secondly the continued use of plastic sacks is very disappointing given last week's Council motion on trying to reduce the use of plastics by the Council.

Can I ask, has the level of carbon emissions from the sacks been considered in the decision to change the sacks rather than boxes or has that decision been purely about saving money?

**Supplementary Answer**

Question number 1 – yes you are absolutely right I have asked for the word 'hessian' to be removed from all the publicity material in the future. These bags use a small amount of plastic and that is on the outside to keep the moisture out and that is the sole intention of these things to actually keep our paper and card dry because wet waste gets rejected and costs us a lot of money to actually process. These bags are not really plastic they are polypropylene.

With regard to the question you asked about the carbon emissions there is hardly any plastic in there and I am advised that we will investigate the possibility of having them recycled when they are no longer used.

**Member Questions:**

Andy Croy asked the Executive Member for Environment and Leisure:

**Question**

Regarding Agenda item 8. Manufacturers of kerbside recycling bags to protect paper and cardboard from water also provide elasticated covers to black bins which also protect the contents from water. For example:

<https://sackmaker.com/kerbside-recycling-sacks.html>

Why have we opted for an expensive full replacement of the black bins when the same result could more quickly and more cheaply be achieved by providing elasticated covers?

**Answer**

The Council must find a solution to prevent recycling getting wet as this is impacting on the Borough's recycling rates and causing significant environmental and financial cost to the Council.

The Council has commissioned a leading waste consultancy to consider options for a solution to this issue which include the option of elasticated covers for black bins. This will be reported at the Executive on 24<sup>th</sup> September. The MTFP report to this Executive secures funding for a solution that will be recommended to the September meeting. Elasticated covers have been considered as an option but do not represent a holistic solution in terms of resilience to weather and becoming detached from the vessel/ box.

Clive Jones asked the Executive Member for Environment and Leisure:

**Question**

The proposal to use hessian sacks has come to the Executive as part of an update on the MTFP. Can you explain why this has not come to the Executive as an item in its own right with a full business case attached?"

**Answer**

Changes in the world market for recycled material have meant that wet paper and card is no longer being accepted by recycling plants and this is impacting on the Borough's recycling rates and causing significant environmental and financial cost to the Council. The Council must therefore find a solution to prevent this recycling getting wet. The financial report being considered by this Executive meeting secures funding for a solution to this issue. A further update report will be presented by the Executive on 24<sup>th</sup> September.

Imogen Shepherd-Dubey asked the Executive Member for Finance and Housing:

**Question**

Looking at the Capital Monitoring Report there is a quantity of £105M re-phased to later years.

Please can you explain what exactly will be impacted by this deferral?

**Answer**

The detailed schedule of re-phasing is shown on page 64 of this Agenda. The impact of this is that schemes are progressed in a way that minimises our financial risk with regards to ensuring we have the resources secured to fund them, and it ensures the timing of the investment is better aligned to the service need. This approach is part of our strong overall financial management and entirely necessary in the context of the financial challenges we currently face as a result of Covid-19.

**FINANCIAL IMPLICATIONS OF THE RECOMMENDATION**

***The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	0	N/A	N/A
Next Financial Year (Year 2)	0	N/A	N/A
Following Financial Year (Year 3)	0	N/A	N/A

<b>Other Financial Information</b>
None

<b>Public Sector Equality Duty</b>
Considered as part of the Executive report

<b>List of Background Papers</b>
Executive report – 30 July 2020

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