

**SCRUTINY PANEL REVIEW PANEL 3
CO-OPERATIVE ENTERPRISES
MINUTES**

Thursday 7 April 2016

PRESENT: Councillors: David Rodgers (Chair), Patrick Cogan, Fabio Conti, Abdullah Gulaid, Anthony Kelly, Gary Malcolm (Vice-Chair), Shital Manro, Dee Martin, Ian Proud, Chris Summers, Lauren Wall and Ray Wall.

Also Present:

Harjeet Bains - Scrutiny Review Officer
Cllr Aysha Raza
Lee Teasdale - Democratic Services Officer

1. Apologies for Absence
(Agenda Item 1)

Councillor Theresa Byrne tendered her apologies.

2. Declarations of Interest
(Agenda Item 2)

Both Councillor Rodgers and Councillor Malcolm declared their membership of Credit Union Brent & Ealing (CUBE).

3. Matters to be considered in Private
(Agenda Item 3)

There were none.

4. Minutes of the Last Meeting (04.02.16)
(Agenda Item 4)

Resolved: That the minutes of the meeting of 4 February 2016 be agreed as a true and correct record.

5. Urgent Matters
(Agenda Item 5)

There were none

6. Draft Final Report
(Agenda Item 6)

The Chair introduced the draft of the Panel's final report and proposed that the Panel consider each section of the report in turn.

Chair's Overview – The Chair apologised that the overview omitted courtesies to the Panel Members, attendees and supporting officers, the overview would be amended to give thanks as appropriate.

Recommendation 1 – It was suggested that the SMART acronym be displayed in full (Specific, Measurable, Achievable, Relevant, Time-bound).

Recommendation 2 – Discussion took place with regards to whether references to specific portfolios should be included in recommendations made. It was agreed that references to specific portfolios would be removed and instead replaced with ‘the relevant portfolio holder’ throughout the report.

Recommendation 4 – It was suggested that a glossary of terms be added to the end of the report, which would highlight terms included within the references which were not part of common parlance. For example, the term ‘anchor businesses’ included within recommendation 4.

Recommendation 7 – Discussion took place with regards to who should be suggested for taking on the role of Co-operatives Champion.

It was agreed that it would be inappropriate for the role to go to a Cabinet Member, it needed to be taken on by a Councillor who could challenge the Cabinet and hold them to account. The Champion would be granted the sort of access to Officers that Cabinet Members were granted, but would also be given the time to focus on this specific issue.

It was agreed that “from among non-Cabinet Members” would be included in the body text of the recommendation, it was also agreed that the term “consider” would be removed to strengthen the recommendation.

It was agreed that the recommendation would be moved up to become recommendation number 2.

Recommendation 8 – The Chair advised the Panel that while the panel recognised the independence of the board of the credit unions, consideration of the panel’s view that merger would be in the best interests of the residents of Ealing, a merger would be considered at the forthcoming CUBE AGM.

Recommendation 10 – It was agreed that this recommendation required absolute clarity to justify the reasoning behind offering such a substantial loan offer. It was therefore suggested that the following wording be added to the recommendation;

“The purpose of encouraging the uptake of a subordinated loan is the support it will provide to local residents in obtaining low cost loans, not available through mainstream lenders. Facilitating affordable loans for the most needy”

It was agreed a reference to the benefit such a loan would provide to the local economy should also be included.

Discussion took place about whether there should be a requirement for a council nominee with financial expertise should be nominated to the board of the credit union should a loan be made. There was discussion about who this should be and what skills they would require. The Chair advised the Panel that the Financial Conduct Authority had clear provisions about who could sit on boards and that specific training requirements had to be met. It was agreed therefore that the requirement should be for a ‘relevant Council representative’

Recommendation 12 – It was agreed that the reference to Sharia Law should be less specific (in that it should only be used as an ‘e.g.’) because other faiths and those with no religious convictions were also concerned about interest charges and ethical values in lending money to others.

Recommendation 13 – Discussion revolved around adding extra details to the recommendation such as references to venues that could be used for promotion (libraries/ward forums etc), possibilities around access to the Council’s payroll services and consideration of how local anchor businesses could be utilised.

Recommendation 15 – The encouragement of local government pension schemes to invest in Mutual Home Ownership and other forms of affordable co-operative housing was considered to be a ‘key’ recommendation and as such, should receive ‘beefed up’ text justifying it.

Recommendation 16 – The wording of this recommendation would be reconsidered to open it up to the consideration of other land sources other than free land from the council and other public sector bodies (i.e. such as land made available through the planning system or from exception sites).

Recommendation 18 – There were queries around why this needed to form a separate recommendation. The Chair advised that there were elements that needed to be highlighted within the recommendation such as demand management and the ‘HAPPI’ report. It was agreed that these elements would be brought out more in the text of the recommendation.

Recommendation 23 – It was agreed that the Council itself should be highlighted as an anchor institution for this recommendation.

Recommendation 24 – It was agreed that the term “consider” should be removed from the recommendation (an indeed from all other recommendations to harden them up and make them specific).

Recommendation 27 – It was advised that a new International Labour Organisation (ILO) report pertinent to this recommendation had just been released. It was agreed that a link to the report could be incorporated.

Recommendation 28 – It was agreed that the term “consider” should be removed from the recommendation and others.

Recommendation 31 – It was agreed that the wording “ensures that an appropriate scrutiny body” be removed from the recommendation, because it is the main Overview and Scrutiny Committee that has this responsibility.

Key Learning Points – It was agreed by the Panel that the Key Learning Points did not have particular value, as the points raised could be sufficiently raised elsewhere within the report, most likely within the Chair’s overview.

Membership and Attendance – It was suggested that site visit attendances and other meetings attended by members and the chair also be incorporated into this section, as should those meetings attended “off-line” by the Chair. It was felt that this

would better reflect the level of work Panel Members put in to making the Panel a successful one.

It was suggested that the people visited during the Preston City Council and LILAC visits should be added to the 'External Witnesses' section.

Miscellaneous

- It was suggested that the final published version of the report be shared with London Councils/The London Scrutiny Network.
- Councillor Raza passed her thanks onto the Panel for allowing her to “tag on” to what she found to be an enlightening series of meetings. The chair thanked Councillor Raza for her interest in and commitment to the work of the Panel.
- The Panel congratulated the Chair, stating that the Panel had shown amazing ambition and scope, and set a precedent to show that there were no limitations on the Panel's approach to having witnesses to the Panel (the Skype interview being highlighted).
- Thanks were also passed on to the supporting officers to the Panel.
- It was agreed that whilst there were more areas of co-operative enterprise to be considered, such as co-operative energy and co-operative schools, the general thrust of the panel's conclusions could and should be applied to the council supporting other forms of co-operative enterprise without the need to for a continuation of the Panel into a second year. It was also agreed that the work of the panel would have relevance to other scrutiny topics being considered, such as encouraging prosperity through tackling income inequality.
- It was also considered though, that other areas of interest within co-operative enterprise, such as schools trusts and energy co-operatives, could potentially be taken as one-off topics within other scrutiny panels.
- Cllr Chris Summers raised the benefit that had been derived from this panel by having a chair who was expert in the subject that the panel had been tasked to consider. His conclusion was that the selection of scrutiny panel chairs should be reversed, with the topics being agreed at the council's all party scrutiny conference first before panel chairs were elected. This observation and recommendation was noted and endorsed by the Panel.

Resolved: That all of the above recommended amendments to the Final Report be implemented as appropriate by the Chair, Vice-Chair and Scrutiny Review Officer.

Councillor David Rodgers, Chair.

The meeting ended at 8.45pm.