

## **MINUTES OF A MEETING OF THE EXECUTIVE SCRUTINY COMMITTEE HELD AT COUNTY HALL, CHELMSFORD ON 26 OCTOBER 2010**

### **Membership**

* G Butland	* M J Page
W J C Dick	* J W Pike
* N Edey	Mrs I Pummell
* C Griffiths	* J Roberts
A M Hedley	* A Turrell
M C M Lager (Vice-Chairman)	* T C Smith-Hughes (Chairman)
* M J Mackrory	* Mrs M Webster (vice M C M Lager)
* Mrs V Metcalfe	J A Young (Vice-Chairman)
* G L Mitchinson	

(\* present)

The following officers were present in support throughout the meeting:

Hannah Cleary, Governance Officer  
Colin Ismay, Governance Manager

### **59. Apologies for Absence**

Apologies were received from Councillor A M Hedley with Councillor Mrs M Webster as his substitute, and from Councillors M C M Lager, Mrs I Pummell and J A Young.

### **60. Declarations of Interest**

The Chairman acknowledged that a number of Committee Members were School Governors in relation to item 7 – Review of School Governors Appointment Policy.

### **61. Minutes**

The minutes of the meeting held on 7 September 2010 were approved as a correct record and signed by the Chairman.

### **62. Transformation Programme Scrutiny Review – Customer Interface Development**

Andy Fairchild, Director for Customer Service attended to provide an update on the progress of the new website since he last attended on 29 June.

The initial scope of the website project included the following:

- To re-host the website using Microsoft Sharepoint
- To condense 5,000 web pages to 900

- To re-design the look and feel of the website to make it more user friendly

The homepage of the new website would now include the following features:

- easier identification of and access to the services offered by the Council
- facilities to encourage self-service by users
- a 'get involved' function that displays local Councillor information, allows users to express their views to the Council, and details spends of over £500
- a 'find my nearest' facility that allows users to find and access their local services
- a 'changes to lifestyle' section that includes information about the registration of births, deaths and marriages
- a news and events page

The website had been launched internally on 1 September; however, technical issues had arisen that delayed the wider release for three weeks. Members were able to access the new site from 8 October, all staff able to view it from 13 October, and the anticipated date for external release was 1 November. Testing of the pre-live design was continuing, with a final 'customer panel' planned for 29 October.

The feedback received so far was encouraging; 98% of staff agreed that the new site is an improvement. A short, simple campaign would be launched to promote the new website address, and user satisfaction would be tracked through the 'govmetric' system that allows visitors to rate each page. The number of pages visited per site will be tracked, although internal visits would not be counted as part of these figures.

Users of the site would be able to locate County Councillors by political affiliation, alphabetically and view their respective registers of interest. A new management system for Committee work displayed more information about each Policy and Scrutiny Committee than the previous facility allowed.

Access for disabled users and those for who English is not their first language had been carefully considered to ensure the website was inclusive. The homepage offered the option to translate pages into the six languages spoken most frequently in Essex. The Disabled Employees Network had been engaged to ensure that the website was accessible to users with disabilities.

The Council was still hosting a number of 'micro sites' that in some cases were costly to support and did not receive many visitors. These would be brought under control with a view to closing some and moving the content to the main website.

Councillor Pummell asked how the new website would be promoted. Andy explained that online promotion through search engines and banner

advertising would be utilised at small cost. The Contact Essex call centre would also be highlighting the new site to callers. Councillor Pummell suggested that libraries had television screens that could be used for advertising. Councillor Edey raised the possibility of using the televisions in GP surgeries to promote the new site; especially with regard to social care services. Andy thanked Members for their suggestions and confirmed he would check if these options were currently under consideration.

Councillor Butland asked if the feedback surveys rated the website or Council services, and once received how it would be used and linked to the other surveys that are used to measure satisfaction. Andy confirmed that the surveys would rate website satisfaction, and would be linked to the customer tracker surveys that the Council uses to gain feedback. There was a future opportunity to use the website to glean instant service feedback, and it may be possible to operate regular polls.

Councillor Smith-Hughes asked if older and vulnerable people would be able to access online services if they did not have internet access. Andy explained that whilst the self service facility would encourage users to self-transact there were no current plans to make this the sole method of access. Libraries currently offered both internet access and free wi-fi and had trained staff ready to assist customers.

Councillor Butland asked if the project had kept within budget. Andy confirmed that it had.

Councillor Mackrory had received comments from Essex companies that they could have provided the new website for a smaller cost. Andy referred to the extensive scope of the project and the complexity of some of the facilities that were being provided, including the 'find my nearest' option. Moving to Microsoft Sharepoint had given confidence that the product would be supported by Microsoft in the future.

The Committee **agreed** that they would like Andy to return to a future meeting and provide details of the following:

- An update on the promotional tools used to raise the profile of the new website
- Statistical results from surveys that measure user satisfaction
- 'Self service' facilities currently available online and the take up rate
- The effect of the new website on call volume at the Contact Essex Centre

The Chairman thanked Andy for attending.

### **63. Variation in the Order of Business**

The Chairman proposed a variation in the order of business taking Item 6 – 2010/11 Financial Review as at the half-year stage, as the next item of business, followed by Item 5 – Transformation Programme Scrutiny Review. The remaining items would be taken in the order of the agenda. The proposal was **agreed**.

#### **64. 2010/11 Financial Review as at the half – year stage**

The Committee considered report ES/29/10. Councillor Finch, Deputy Leader and Cabinet Member for Finance and the Transformation Programme was in attendance for the item.

Councillor Finch introduced the report and drew attention to the reduced length. This leaner version had the advantage of summarising issues and was quicker to produce. He had however noted the comments made by the Chairman at the Cabinet meeting on 19 October with regard to providing a fuller report to the Executive Scrutiny Committee when necessary.

The report showed a current over spend of £8 million, which was a reduction on the position as at the first quarter stage. Councillor Finch was confident that this would be dealt with by the close of the financial year as services were working very hard to reduce this amount.

Councillor Smith-Hughes complimented the shorter report as being helpful although in some instances it may be worthwhile for the Executive Scrutiny Committee to have more information. The first page that detailed the financing sources was particularly useful and gave a good explanation of where monies had come from. He asked about the over spend of £14.459 million shown in section 1.1 (p.3) and if services would have to relinquish their under-spends.

Councillor Finch explained that the current reporting structure meant that more than one Director may be responsible to one Portfolio. This resulted in over spends incurred by one Directorate and under spends in another, both being shown against one Portfolio area and thus counter balancing each other. Councillor Finch was determined that budgets would be balanced by the end of the financial year.

Councillor Smith-Hughes asked about the impact of the Central Government grant reduction and if there would be any cuts to services. Councillor Finch referred to section 2.3 (p. 6) that gave an example of the grant reduction upon the Youth Service. Details of the full impact upon this service were still being worked on. He referred to section 3.4 (p.11) and the significant reductions in funding from the Department for Transport (DfT) to the Highways and Transportation Directorate. The Council had managed to be extremely adaptable in absorbing these cuts and was in a great overall position.

Councillor Smith-Hughes agreed that the grant reductions from the DfT were significant sums and asked about the services that would be cut as a result. Councillor Finch indicated that any cuts to services were being researched and that information would be brought to a future meeting once more was known.

Councillor Finch drew attention to the under spend for his portfolio shown in section 3.8 (p. 12).

Councillor Smith-Hughes asked about the re-profiling pressures shown in section 1.3 (p.4). Councillor Finch explained that the re-profiling pressures had mainly arisen due to projects completing ahead of schedule.

Councillor Mackrory asked about the ExDRA reserve shown in Appendix F 1.4 (p. 19). He also asked about the impact of 'slippage' that was mentioned throughout the report. Councillor Finch explained that the 'ExDRA reserve' funds originated from a European Union funded training programme that had strict audit regulations. The detail required from service users to access the funds had been rigorous and application forms had proved difficult to complete by those with disabilities. Negotiations were continuing with the Department for Work and Pensions around the audit requirements. With regard to the question of slippage; projects undertaken in relation to education and schools were large and complex, and did not always keep within spend profiles.

Councillor Smith-Hughes referred to section 2.1 (p.6) and the Adults, Health and Community Wellbeing over spend of £4.729 million and asked for details of the actions being taken to reduce this figure. He also referred to section 2.2 and the over spend of £3.266 million in the Children's Services portfolio despite the provision of £3.929 million in supplementary funding. Councillor Finch responded that the over spend in the Adults, Health and Community Wellbeing portfolio amounted to 1% of the total budget and was well within the capabilities of the Director to manage and reduce by the end of the financial year. Children's Services had turned a corner and would return in time to a balanced budget. The over spend was being managed appropriately.

Councillor Turrell asked about section 2.9 (p. 8) and the high risk of a £650,000 over spend (out of a total Service over spend of £1.836 million) in the Facilities Management Service remaining at the end of the financial year. Councillor Finch explained that the over spend related to an increase in car parking charges that had not been implemented and a significant increase in business rates that had not been forecast, resulting in £900,000 of additional costs. The over spend was being taken very seriously and actions were being taken to correct the position.

The Committee **agreed** that a summary report with further details of the issues would be brought to a future meeting.

Councillor Smith-Hughes drew attention to the Customer Services under spend of £827,000 detailed on page 9 of the report, and asked how this would be used in the future. Councillor Finch explained that the under spend had

mainly arisen through a lower spend on the first phase of the Customer Services Web Transformation project, and that a strong business case had been put forward for the under spend to be carried forward.

Page 19 showed that the carry forwards reserve contained £4.618 million and the Chairman asked whether this would be returned to the general reserves. Councillor Finch responded that robust business cases had been requested from services in order for them to retain the funds. Once these cases had been reviewed the remaining monies would be returned to the general reserve or to the most appropriate place.

The Committee **agreed** that a footnote be added to the Waste Reserve balance to show that funds had been temporarily borrowed to finance the Transformation Programme.

The Chairman thanked Councillor Finch for attending.

## **65. Transformation Programme Scrutiny Review – Update on savings**

Keir Lynch, Director of People and Transformation was in attendance to provide an update on the savings and distributed a short paper to the Committee.

September saw the close of Transition State 2 (TS2) that had encompassed 32 projects and planned savings of £37 million for 2010/11. Key highlights included:

- The Adults, Health and Community Wellbeing Directorate were on track to achieve savings of approximately £10 million in 2010/11, against a target of £5.75 million
- 57 of 73 libraries had successfully rolled out free 'wi-fi' access; which had received very positive feedback from the public
- Funding had been secured and an internal project team mobilised for modernisation of IT services. A procurement exercise had been completed in September to secure an implementation partner, along with the agreement of a new organisational structure
- A management review with benefits of £10 million had been agreed
- A full business case had been completed and approved for the 'e-payroll' project. A project team had been established and mobilised, with third party contract negotiations completed and approved.
- A full project team had been established to deliver Project Co-efficient, and a future Finance Directorate organisation design had been completed and approved. The new software package 'Cognos' that would support reporting, planning, budgeting and forecasting would be introduced shortly. Finance staff had received change management training.
- A management re-structure across Highways had enabled the streamlining of middle management and introduced more efficient working practices

- The Council was on track to gain agreement of the Civil Parking Enforcement solution framework that would enable District and Borough Councils to work to a standard.
- A Lighting Central Management System business case had been approved. This was an innovative approach that would lead to a reduction in the carbon footprint through the use of responsive remote control of lighting across Essex
- The Target Operating Model was a significant TS2 project. This had received a high level of input from the Corporate Leadership Team (CLT) and Political Leadership Team (PLT), and had delivered a clear articulation of the Council's future operating models. It had outlined a clear definition of a commissioning organisation that reflected the Council's strategic and financial ambition. The next stages for this project were to plan the work streams necessary to drive forward the build of the end state organisation
- Transition State 3 (TS3)-work had been undertaken during the last stages of TS2 to plan for the next stage. There were 34 business cases programmed into the forward plan including New Ways of Working (this made up 17 of the 34 business cases), property and income

Keir was pleased with the roll out of the free 'wi-fi' service in libraries across Essex, a service improvement that had been well received by the public. The Council was moving to become a commissioning organisation, and it was necessary to reshape the management structure, as some areas currently had twelve layers of management. Three hundred roles had been identified to be moved out of the organisation delivering savings of over £10 million.

Councillor Butland asked about how the move to a commissioning organisation would affect the libraries service. Keir responded that libraries would be transposed into a trading vehicle.

The Chairman asked Keir about the future arrangements for the Council's IT service and whether the Executive Scrutiny Committee would be able to contribute to any plans for outsourcing the service from the current in-house arrangements. Keir outlined that the IT service was undergoing a programme of modernisation in order to make improvements. Changes to the management structure were planned and consultations with staff were currently underway. Contributions to any plans to outsource IT provision from Members would be valuable.

The target operating model had been approved by the Corporate and Political Leadership Teams, which moved the Transformation Programme into the third stage-TS3. A new software system, Cognos, was due to be introduced to the Finance Directorate shortly and would be a key enabler to develop and change the organisation, improving business intelligence. The Finance Directorate was currently undergoing a restructure, with some staff re-applying for roles.

The New Ways of Working (NWoW) initiative would improve the utilisation of space, technology and time, and had the potential to allow staff to work

remotely. Feedback had been received from staff about unnecessary travelling time and bureaucracy and the NWoW initiative hoped to tackle these.

Keir explained that £60 million savings had been delivered in 2009/10 with a further £55 million delivered so far in 2010/11. Final business cases had identified savings of £87 million and outline business cases £101 million. The total planned benefits were £303 million.

Councillor Butland asked if the £300 million savings that had been identified to be made through the Transformation Programme were cash releasing savings or efficiency savings. Keir explained that there was £400 million extra pressure on the Council and the Transformation Programme would deliver a combination of both kinds of efficiency savings through an offset of the demand increase and a reduction in budget.

Councillor Edey asked about the change management training and how it would be ensured that value for money was secured. Keir explained that the training was an investment and would under go three- levels of evaluation. The training aimed to prepare managers and staff for change by teaching coping techniques, and the evaluation would include measuring the application of these techniques and thus the quality of the training.

The Chairman thanked Keir for attending.

#### **66. Review of School Governors Appointment Policy**

The Committee considered report ES/30/10 and Olive Newland, Head of Traded Services was in attendance for the item.

After a wide-ranging discussion of the proposals contained in the report it having been moved by Councillor Pike and seconded by Councillor Edey it was

#### **Resolved:**

That there is no change to the current School Governor appointment policy.

#### **67. Transformation Programme Scrutiny Review Progress Report**

The Committee considered report ES/32/10, a progress report for the Transformation Programme Scrutiny Review that had been undertaken over the last 12 months, and were invited to agree the proposals for the next steps contained on pages 7 and 8.

The following proposals were **agreed** by the Committee and were to be added to the Forward Look:



1. Councillors Smith-Hughes, Hedley and Butland **agreed** to form a Task and Finish Group to review the governance and risk management arrangements of the Programme
2. That the full Committee would review the procurement element of the Transformation Programme
3. That the changes to the structure of the highways service, including the outcomes and impact on customers, would be referred to the Economic Development and Environment Policy and Scrutiny Committee
4. That the Committee would consider the changes and resulting impact on customers as a result of the IS and Facilities and Asset Management services reviews.
5. That Jenny Owen, Deputy Chief Executive, and project sponsor of the New Ways of Working initiative would be invited to attend a future meeting to set out the plans for this area of the Transformation Programme
6. That a report of the scrutiny reviews being undertaken by other Policy and Scrutiny Committees in relation to the Transformation Programme would be brought to a future meeting
7. That Graham Tombs, Executive Director, Commercial Services would be invited to return to the 15 February meeting to continue the review of shared services. Topics for discussion would include the perceptions and enthusiasm of partners, and whether the anticipated savings were feasible.
8. That Andy Fairchild be invited to return to a future meeting to provide information on the following:
  - An update on the promotional tools used to raise the profile of the new website
  - Statistical results from surveys that measure user satisfaction
  - 'Self service' facilities currently available online and the take up rate
  - The effect of the new website on call volume at the Contact Essex Centre

## **68. Forward Look**

The Committee considered report ES/31/10, a report that set out the proposed future work programme, and agreed the addition of the topics that had been raised during the previous item.

## **69. Date and time of next meeting**

The next ordinary meeting is scheduled for Tuesday, 30 November 2010 at 10am in Committee Room 2.

Chairman  
30 November 2010