

MINUTES OF A MEETING OF THE CORPORATE SCRUTINY COMMITTEE HELD AT COUNTY HALL, CHELMSFORD AT 2PM ON 25 FEBRUARY 2014

Present

J Young (Chairman)	M Mackrory (Vice Chairman)
W Archibald	V Metcalfe
S Barker	C Pond (substitute)
M Buckley (Vice Chairman)	J Pike
G Butland	C Seagers
J Huntman	A Turrell (substitute)
J Knapman	

The following officers were also present in support of the meeting:

Robert Fox	Scrutiny Officer
Graham Hughes	Committee Officer

1. Apologies for Absence and Substitutions

Apologies for absence had been received from Councillors J Deakin (for whom Councillor A Turrell was in attendance as substitute), P Oxley (for whom Councillor C Pond was in attendance as substitute) and M Page.

2. Declarations of Interest

No declarations of interest were made.

3(i). Minutes

The minutes of the meeting held on 28 January 2014, were approved as a true record and signed by the Chairman.

3(ii) Matters Arising

- (i) Both Council Tax residential and business collection rates would be referred to the Scrutiny Board to determine appropriate scrutiny arrangements.
- (ii) Local Highways Panels would be referred to the Scrutiny Board to determine appropriate scrutiny arrangements;
- (iii) Financial aspects of the final report on proposed changes to youth services would be received by the Committee in due course;

4. Transformation II – quarterly update

The Committee considered report CSC/06/14 providing an update on Transformation II. Councillor R Hirst, Deputy Cabinet Member for Transformation and Corporate Services, and Keir Lynch, Executive Director for Strategy, Transformation and Commissioning Support, joined the meeting for this item.

(a) Introduction

The County Council had restructured so as to be able to operate as a commissioning organisation in future. Such restructure had included a move away from a traditional 'directorate' silos to a more flexible and collaborative 'functional' operating model. The County Council was on target to meet cost savings of £237.5 million for the current financial year. However, up to £40 million unidentified savings were required for 2014/15 and work was underway to complete identification of these savings by June 2014. Further savings would also be required in subsequent years. However, it was stressed that the County Council viewed that it was very much 'ahead of the curve' compared to many other local authorities in having plans in place to meet the financial challenges being faced.

As part of delayering management, the 'Head of Service' tier of the organisation had been re-organised and, to date, all but 17 of the re-designated posts had been filled. Just as with other levels in the organisation, there would be ongoing testing of the structure to ensure that such vacancies still needed to be filled.

(b) Corporate Outcomes Framework

A new Corporate Outcomes Framework would shape the development of commissioning strategies later in the year that, in turn, would lead to detailed operating plans thereafter. The Outcomes Framework would be supported by indicators and measures that enabled commissioners to demonstrate how the County Council was meeting corporate outcomes. Future performance reports would increasingly reflect how the County Council was meeting key outcomes. Members suggested that decision-making committees, such as Cabinet, should indicate which outcome each of its future agenda items was addressing. Members discussed the opportunities and process for 'drilling-down' from the Outcomes Framework to see operational plans. It was highlighted that not all corporate outcomes would be delivered by the County Council and the framework and strategies would need to dovetail with those of partners.

(c) Commissioning and service delivery

Members cautioned that decommissioning services could be difficult after a long period of commissioning. It was acknowledged that the County Council needed to retain agility in its contractual negotiations and maintain focus on exit strategies as well as robust commissioning strategies. It was agreed that some case examples would be provided to members to demonstrate the County Council's contractual approaches.

It was highlighted that service delivery would need to be more evidence based rather than intuitive as in the past, which would lead to better and more 'rounded' decision making. Members questioned whether non-statutory activities fitted into the new outcomes framework. However, it was stressed that solely relying on providing just statutory services could be more expensive in the long run. Whilst most early intervention work was discretionary, not mandatory, the up-stream investment could prove to be better value for money; for example, by enabling and supporting people to continue living at home it would reduce the costs of formal institutionalised care.

Members sought assurance that the services to be commissioned responded to what the customer wanted rather than commissioning for the outcomes that the commissioning body particularly wanted. There was now dedicated resource in the County Council to analyse and evaluate the evidence that robust user engagement had been undertaken prior to commissioning decisions being proposed. In addition there were a number of opportunities for further review during the commissioning process. Some examples would be provided to members. At the same time, it was acknowledged that the majority of public interaction with local government was at a borough and district council level and that the County Council needed to ensure that they also worked closely with the boroughs and districts as appropriate.

(d) Apprenticeships

The County Council was increasing the number of apprenticeships in the County both by direct employment, through encouraging local employers to employ apprentices and stipulating that service providers offered local apprenticeships. Further information on the number of apprenticeships would be provided to members.

(e) Health integration

Closer integration between Health and social care would be at the forefront of the Transformation programme during 2014/15. The implementation of the Care Bill could have a significant but unknown impact on the County Council in terms of increased workload and cost. In particular, the Care Bill would be introducing a cap on care costs as part of reform of care and support. Central Government had indicated that it would meet extra costs but it was possible that central assumptions would not align with local situations. However, it was expected that, over time, there was as significant opportunity to not only improve outcomes but to find efficiencies and savings from closer integration of health and social care.

(f) Employees

Headcount across the County Council had reduced by 389 since April 2013 (out of approximately a total of 7,500 employees) and, although reductions had been achieved across the organisation, most were from support functions.

Further information would be provided to members detailing the breakdown of the reduction in headcount into compulsory, voluntary redundancies and natural wastage categories and incidences where employees had been transferred to other employers under TUPE regulations. It was confirmed that closure costs were incorporated into business case appraisals for changes in service delivery.

Members sought assurance on there being a robust process for reviewing the ongoing need for vacant posts, pay and grading and employee consultations. Grading was undertaken by the Hay Group in consultation with the County Council's Human Resources department and would be dependent on skill set and competency and performance within band.

A comprehensive range of policies and tools were in place to support employees affected by restructures and consultations, and to adapt to change.

(g) Consultations

The Leader and Cabinet Member for Finance would be discussing establishing a process for pre-consultation scrutiny. In connection with a current consultation on a review of a Recycling Centre for Household Waste, some members highlighted the withdrawal of access to Southend facilities for some Rochford residents.

(h) Delivering key projects

Two significant IT projects to transform Corporate Systems (to move from using approximately 34 systems at present to as few as possible) and Social Care Case Management (to provide a joined-up case management system across adult and family operations) were highlighted. Broadly, the County Council used off-the-shelf packages when making IT changes, procuring under a local government framework agreement and thus ensuring the use of software and hardware that was commonly used across the local government sector. Internal governance controls for IT procurement had been further improved with more robust change controls and oversight now by one centralised team.

(i) Conclusion

A further update would be received in May 2014. Thereafter, Cllr Hirst and Mr Lynch were thanked for their attendance and they left the meeting.

5. **Procurement Task and Finish**

The Committee considered a report (CSC/07/14) comprising the final report of the Procurement Task and Finish Group. Councillor Finch, Leader and Cabinet Member for Finance, and Andrew Spice, Commercial Director, joined the meeting to receive and respond to the recommendations therein.

The Chairman introduced the report and suggested that the report reflected a good level of engagement with stakeholders and that the input from SME's and the voluntary sector had been particularly welcomed.

In turn, each of the recommendations was considered and responded to by Councillor Finch

Recommendation: There should be a more proactive approach to potential suppliers from procurement professionals at the County Council.

Owner: Cabinet Member for transformation and Corporate Services

Implementation Review date: September 2014

Impact Review Date: February 2015.

This was broadly accepted highlighting that new ways of working were already being implemented including a more sophisticated approach to analysing

supplier risk, taking a broader and proactive view on market provision, and the up-skilling of staff.

Recommendation: explicit wording is inserted into all contracts with the primary contractor to ensure ten-day payment terms exist throughout the supply chain.

Owner: Cabinet Member for Transformation and Corporate Services

Implementation Review Date: September 2014

Impact Review Date: February 2015

During discussion it was acknowledged that, whilst the County Council could ensure that it met this condition with the main provider, it was difficult to enforce further down the supply chain. It was suggested that the main contractor should be encouraged to communicate this aspiration down the supply chain. Members acknowledged, however, that there would be a cost to the supply chain in implementation which could result in it being reflected in future charging or put excessive pressure on smaller employers to absorb the cost.

Recommendation: The Public Services (Social Value) Act requirements should be included in the Equality Impact Assessment in all procurement exercises.

Owner: Cabinet Member for Transformation and Corporate Services

Implementation Review Date: September 2014

Impact Review Date: February 2015.

Councillor Finch confirmed that this recommendation had been embedded in processes and was already a consideration as a part of evaluation of tenders.

Recommendation: The County Council should provide grant aid to Voluntary and Community Sector organisations to deliver services where these organisations are best placed to do so. There are economic and administrative advantages to this with delivery ensured through SLAs.

Owner: Cabinet Member for Transformation and Corporate Services

Implementation Review Date: September 2014

Impact Review Date: February 2015

Councillor Finch advised that any such grant funding would be part of the procurement process and be included in the discussions on the outcomes being sought.

Recommendation: The resources should be available to fund volunteer manager posts across the county placed within CVSs.

Owner: Cabinet Member for Transformation and Corporate Services

Implementation Review Date: September 2014

Impact Review Date: February 2015

Councillor Finch advised that this recommendation would not be implemented unless there was evidence to show that it would lead to provider savings and deliver better outcomes. It was stressed that the County Council might offer some limited technical support to providers in some instances but this would be very much on a case-by-case basis.

Recommendation: All future contracts should include an explicit line requesting Chief Executive Officers of commissioned organisations must attend Essex County Council scrutiny meetings, when requested, as part of the agreed contract. They should be accompanied by Cabinet Members and Lead

Commissioners when requested to attend. It should also be explored whether existing contracts could be amended to include the request to attend scrutiny

Owner: Cabinet Member for Transformation and Corporate Services

Implementation Review Date: September 2014

Impact Review Date: February 2015

Members discussed the most appropriate officer representation from commissioned organisations at a scrutiny committee. It was acknowledged that the role of scrutiny function was to hold the County Council's executive to account and that the relevant portfolio holder should be monitoring contractual performance. However, a scrutiny committee may wish to meet contractors to identify best practice.

Recommendation: All budget holders have appropriate training on-working in a political environment and this should be progressed to all those working in a political position in the Authority.

Owner: Cabinet Member for Transformation and Corporate Services

Implementation Review Date: September 2014

Impact Review Date: February 2015

It was acknowledged that this was not strictly a procurement issue and would be referred to Learning and Development for consideration.

Recommendation: There should be some additional work, following this review, to ascertain how local SMEs can be supported further to engage in the ECC procurement processes. This should also be reflected within the refreshed ECC procurement strategy

Owner: Cabinet Member for Transformation and Corporate Services

Implementation Review Date: September 2014

Impact Review Date: February 2015.

Councillor Finch emphasised the importance of engagement with SMEs highlighting that 47% of the County Councils procurement was with SMEs. Significant work had been undertaken to simplify paperwork and increase the opportunity for SME's to tender for contracts. Members suggested that further information on tendering for work for SMEs could be printed on Business Rates bills. A Continuous Improvement Group had been established (Chaired by Andrew Spice) to focus on innovation, benchmarking and shortening the PPQs process.

Conclusion

Members agreed that the recommendations were aspirational and that there were cost and resource implications from implementing at least some of them. At the same time, it was acknowledged that the scrutiny function did not have the resource to evaluate such financial implications. However, some of the recommendations could be implemented at minimal cost. In light of the discussion and some of the concerns raised, it was agreed that the text of some of the recommendations be reviewed, in consultation with the Chairman, and re-circulated to the Committee for approval. The Cabinet Member would be requested to produce a written response to be received at the next meeting.

6. Work Programme

The Committee considered and **Agreed** the Forward Look/Work Programme 2013/14 (CSS/05/14).

7. Date of Next Meeting

The next meeting would be held at 10am on Tuesday 25 March 2014 in Committee Room 2 [subsequently cancelled].

There being no urgent business the meeting closed at 4.02 pm.

Chairman
25 February 2014