

NORTHAMPTONBOROUGH COUNCIL

**OVERVIEW AND SCRUTINY COMMITTEE 3
IMPROVEMENT, PERFORMANCE AND FINANCE**

Monday 1 February 2010

PRESENT: Councillor David Garlick Vice Chair (In the Chair); Councillors Scott Collins, Keith Davies, Brendan Glynane, Matthew Golby, Jane Hollis and Marianne Taylor

Councillor David Perkins Portfolio Holder (Finance) – agenda item 6

Isabell Procter - Director - Finance and Support
Julie Seddon - Director – Environment and Culture – agenda item 6
Tracy Tiff - Scrutiny Officer

1. APOLOGIES

Apologies for absence were received from Councillor Jamie Lane (Chair) and Councillor Tim Hadland.

2. MINUTES

The minutes of the meeting held on 12 November 2009 were signed by the Chair as a true record.

3. DEPUTATIONS/PUBLIC ADDRESSES

There were none.

4. DECLARATIONS OF INTEREST (INCLUDING WHIPPING)

There were none.

5 DRAFT BUDGET FOR 2010-11 TO 2012-2013

Isabell Procter, Director of Finance and Support, advised that the 2010-2013 draft budget was currently out to consultation. The budget would then be presented back to Cabinet and Council for approval post-consultation.

The Chair advised that this year, the same process as previously had been adopted for consulting Overview and Scrutiny on the Council's proposed budget. The Reporting and Monitoring Working Group would have been asked to select the issues from the budget proposals for each Overview and Scrutiny Committee but the meeting of the Reporting and Monitoring Task and Finish Group did not take place due to the inclement weather at that time.

The Committee asked questions, heard and made comment: -

- The budget process was started in May/June 2009 by producing the continuation budget, which is the current year budget restated at future years price base.
- There has been a significant increase in subsidy due to the significant increase in benefits claims.
- All Directorates were tasked with efficiency savings, i.e. same service for less money, looking at options to help bridge the gap along with service reductions.

- A draft report on the budget was presented to Cabinet in December 2009. This report is currently out to public consultation on the proposed options. The final public consultation meeting is on 4 February 2010. Comments and feedback will then be gathered and presented to Cabinet at its meeting on 24 February 2010 to seek its views on whether any of the proposals should be changed, the budget will then be presented to full Council for approval.
- A risk assessment on the proposal options for the budget has been completed and received by the Audit Committee.
- The budget options are being investigated to ascertain whether there is the need for equality impact assessments.
- The Committee suggested that it should be suggested to Overview and Scrutiny Committee 2 (Housing and Environment) that it looks at the budget options EFFY97 delivery of phase 1 and EFFY98 phase 2 of delivery plan at its meeting on 8th February 2010. Both budget options contain substantial amounts of proposed savings. Isabell Procter confirmed that these issues had been highlighted for Overview and Scrutiny Committee 2 to discuss in depth with the relevant Director at its next meeting.
- In response to a query regarding budget proposal EEFY101 – Savings in facilities staff based on moving out of Cliftonville by 30th May 2010, Isabell Procter advised that the review was going very well. A report was expected from a company who had reviewed and surveyed both the Guildhall and Westbridge, investigating how space could be configured to fit in staff. The report will comment on whether it is realistic. It was noted that the location of ICT and the server room had been an issue but a very encouraging report had been received on what could be done and how ICT and the Server Room could be relocated. Timescales will not be met by end of May 2010, as issues such as datalines can take around five months to put into place.
- In answer to a query how the Council sourced its providers for utilities, Isabell Procter confirmed that two methods were applied – use framework contracts that have been in place for some time, then the contract would go out to tender or spot testing – the Council buys a certain amount of, for example electricity, at the current price. An advisor assists on this process. The Council is leading on this process, on behalf of five other districts, through the joint procurement process.
- The Committee queried the proposed budget option EFFY82 - Target to reduce agency spend by an additional 1%. Isabell Procter advised that the Council acquires most of its Agency staff through Comensura. The workforce is being looked more closely so that the requirement for Agency Staff can be managed down. The Head of Human Resources manages the employment of Agency Staff. Ways of making savings include shortening the time from when the employee hands in notice to recruiting to that post.
- It was noted that budget proposal EEFY1 related to the deletion of a vacant post in the Head of Performance and Improvement Team. This post had been vacant for over a year. EEFY112 is in relation to restructuring in the policy area, again in the Performance and Improvement Team. The proposal is the reduction of one member of staff. The introduction of Performance Plus has meant that the same level of service can be delivered by the system producing the information.
- Regarding budget proposal EFFY83 Increase debt recovery rates, the Committee heard that this was an efficiency saving and that debt collection had improved. New processes have been put in place.

AGREED: That the Chair writes to the Chair of Overview and Scrutiny Committee 2 (Housing and Environment) advising that this Committee supports the Officer's recommendation that Overview and Scrutiny Committee 2 discusses in depth with the relevant Director, the budget proposals - EFFY97 delivery of phase 1 and EFFY98 phase 2 of delivery plan at its next meeting on 8th February 2010.

6. UPDATE – MARKET TESTING OF ENVIRONMENTAL SERVICES

Julie Seddon, Director for Environment and Culture, referred to the briefing note that had been circulated with the agenda recapping that it has been agreed to market test waste, grounds and street care. It would be jointly market tested with Daventry District Council. The costs of procurement is being It was highlighted that this may or may not lead to a joint contract. The current process is testing the market to see if the service could be delivered at a lower cost for a better standard, i.e. significantly better value, should this be the case it would be recommended that the service is outsourced.

The project is now at the stage where a lot of responses to the invitation to tender have been received. Over twenty have expressed an interest. Shortlisting will then take place shortly. From March to September 2010 competitive dialogue will take place – talking to shortlisted bidders for service solutions, obtaining idea of costs, types of service they could deliver etc. Throughout this process it is expected that some bidders will drop out. It is expected that a decision to select a preferred bidder will be made around December 2010. The process to enable any new contractor to mobilise the new service in March 2011 will then commence.

Julie Seddon confirmed that she would provide updates to future meetings of the Committee.

The Committee asked questions, heard and commented: -

- The Committee suggested there was a need for Overview and Scrutiny to be involved in this process, for example pre-decision scrutiny would be helpful especially in the latter stages. It was felt that pre-decision scrutiny would be most beneficial at the selection of the preferred bidder stage, looking at any risk involved etc It was further suggested that when the process enters into the competitive dialogue process, Overview and Scrutiny could become more involved. Julie Seddon confirmed that she would provide suggestions to the Chair how Overview and Scrutiny could become involved. The following Councillors expressed an interest in being involved in the pre-decision scrutiny process Councillors David Garlick, Keith Davies, Jane Hollis and Brendan Glynane. It was suggested that the Overview and Scrutiny Management Committee be asked to consider this item of pre-decision scrutiny for inclusion onto its work programme 2010/2011.
- In response to a query how it can be proved to those not involved in the process that it has been robust, Julie Seddon advised that there are two aspects – factual – how it is ensured that a good comparison is being made, and a reference case – description and cost and quality of service, which also allows you to predict into the future taking into consideration issues such as financial constraints. When comparisons are made the recommendation will be put forward
- In response to a query how the service will be kept going forward and improving throughout the process, Julie Seddon advised that there is a need to transform the culture of the service, to increase staff morale and improve sickness levels etc. The service needs to be at the best it possibly can be when the comparison is made in order that it is a most meaningful comparison.
- The Committee heard that there are a huge amount of pitfalls when undertaking market-testing exercise. It is the biggest procurement exercise this Council has ever undertaken. It is a big challenge. There is a need to ensure that the right expert advice is provided and for there to be challenge.
- Julie Seddon advised that she had not been able to identify another joint procurement, central Government supports joint procurement as it means best value for money.
- Daventry's approach – In Julie Seddon's opinion there had been not as much political challenge around Daventry's approach to the process – it appeared to be

more relaxed about the outsourcing of services. It was suggested that it be recommended to the Overview and Scrutiny Management Committee that a member of its Scrutiny Committee be co-opted for the pre decision scrutiny of this issue.

- AGREED:** (1) That it be recommended to the Overview and Scrutiny Management Committee that it be asked to consider this item of pre-decision scrutiny for inclusion onto its work programme 2010/2011.
- (2) That it be recommended to the Overview and Scrutiny Management Committee that a member of its Scrutiny Committee be co-opted for the pre decision scrutiny of this issue.
- (3) That Overview and Scrutiny Committee 3 receive a progress report on this issue – Evaluating Ways of Delivering Neighbourhood Services at every meeting.

7 TASK AND FINISH GROUP UPDATES

7(a) REPORTING AND MONITORING WORKING GROUP UP

The Chair reminded the Committee that the meeting of this Group had not take place due to the inclement weather.

7(b) COST OF CONSULTANTS TASK AND FINISH GROUP

The Committee noted the progress report from the Cost of Consultants Task and Finish Group. Councillor Matthew Golby advised the Group is still at the evidence gathering stage. Various Portfolio Holders for Finance have been invited to attend to provide evidence. Other witness evidence has been received. The Group is on schedule to finalise its report in April 2010.

AGREED: That the update be noted.

8 PERFORMANCE MONITORING

The Committee noted the Best Value Performance Indicators for the period November 2009. The Committee received an overview on those PIs that are red: -

- In response to a query regarding BVI9 – Percentage of council tax received in the year, Isabell Procter advised that there had been difficulty due to the recession and people cancelling direct debits. Latest statistics are showing an improvement however she is not confident that the target will be met. Benchmarking against other Local Authorities has taken place and Northampton is about same as other large Authorities but some smaller Councils doing better. The situation does improve during February and March as the last payment on direct debits is January – therefore two free months helps people to catch up.
- Regarding BV78b - Speed of processing: Average time for processing notification of change in circumstances, the Committee heard that factors such as increase/drop in income and change in Legislation affect this performance indicator. It has created a massive increase in caseload. In last 12 months there has been a 17% increase (new claims) and it has been challenged to keep up with this increase. It was noted that changes in circumstances in November was huge – especially due to changes in childcare benefits. Officers focused more on benefit claims to ensure that people received benefits etc. Northampton has the highest rise in caseload and is 100 out of top 100 Authorities (100th highest caseload) for sheer volume of benefit claims. The number of new claims is monitored on a weekly basis.

- In response to a query whether the Council has the capacity to meet the claims, Isabell Procter advised that change of circumstances is a challenge, however Officers are keeping on top of a chunk of it due to new ways of working, such as going live on E-benefits. Biggest success so far has been instead of queuing at the One Stop Shop – an appointments system is now running and it has average queuing time has reduced from around 30 minutes to 8 minutes. Customers now see a Benefits Officer at the appointment, the process is starting to make a difference and the Council is receiving positive feedback. The admin grant from the Department of Works and Pensions was received and through this funding three new admin temps were brought in until April 2010 to work on E-Benefits.
- The Committee put on record its compliments to the Head of Revenues and Benefits for introduced fresh thinking to the service. It was suggested that the Head of Revenues and Benefits be asked to give an update to a future meeting on the changes been implemented.

AGREED: That the Head of Revenues and Benefits be asked to give an update to a future meeting on the changes been implemented.

8(A) BV8 – THE PERCENTAGE OF INVOICES FOR COMMERCIAL GOODS AND SERVICES PAIDBY THE AUTHORITY WITHIN 30 DAYS OF BEING RECEIVED

Isabell Procter, Director for Finance and Support, advised that this Authority has always had difficulty with this BV8 but the December figures have improved. The biggest issue is getting services to deal with invoices in a prompt manner. Reminder emails are issued. Purchase orders must be raised properly, Good Received Receipted (GRNd) and then invoice matched. Often an invoice will come in, that has no Purchase Order, has not been GRN'd or has a different amount which can cause delays.

A monthly report is sent to all Heads of Services with outstanding invoices. (League tables are produced which name and shame). There is a robust chasing process. The Authority aims to attempt to pay a supplier with NN postcode within seven days. This rarely happens as an invoice can only be paid once it has cleared on the system.

The Committee heard: -

- NBC sets the limits for payment of invoices. It is not a statutory requirement to report on this Performance Indicator (PI) anymore but it has been suggested that it is kept as a corporate PI.
- Sometimes the right backup arrangements are not in place within the departments, for example, should the main contact for invoice payment be on leave or sick and the second nominees does not check the system, can cause delays in the process.
- Sometimes the departments with the highest volume are better at paying invoices on time.
- Current statistics can be provided to the Committee if requested.
- Performance Plus will make reporting simpler, but will not make any difference as the information is loaded into Performance Plus monthly. Directors will continue to receive data, as this is a corporate PI.
- Investigations are taking place into the overall processes and how goods and services are procured. A system is being looked at that will allow the Council to set up bookings and `picking lists for goods and services commonly ordered. Once GRN'd the invoice will be automatically paid at the end of the month.

9 WORK PROGRAMME 2009/2010

In accordance with the request from the Overview and Scrutiny Management Committee, Councillors scoped the Review – Sickness Absence Management as attached. This document would be presented to the Overview and Scrutiny Management Committee at its next meeting for approval.

Councillors Marianne Taylor and Matthew Golby expressed an interest to be members of this Task and Finish Group. It would be ascertained whether Councillor Jamie Lane, Chair, wanted to partake and an email would be sent to the Committee asking for further Councillors to join this Task and Finish Group.

AGREED: That the scope for the Review – Sickness Absence Management be presented to the next meeting of the Overview and Scrutiny Management Committee for approval.

10 FORWARD PLAN

The current Forward Plan was noted.

It was suggested that a briefing on pay and grading be available to all Councillors.

11 URGENT ITEMS

The Chair reminder Councillors of the work-programming event for 11 March 2010 at 6pm.

The meeting concluded at 20.03 hrs



OVERVIEW AND SCRUTINY

SICKNESS MANAGEMENT TASK AND FINISH GROUP

1. Purpose/Objectives of the Review

- To evaluate the impact that staff absence has upon service delivery
- To review how health and well being policies can have a positive impact in reducing sickness absence
- To ensure absence management systems are robust

2. Outcomes Required

- To make recommendations for improvement, as appropriate,

3. Information Required

- A synopsis of all information available
Various Policies, including Absence Management Policy
Health and Well Being Policy
Flexible Working Policies
Dependency and Emergency Leave Policy
- Sickness absence trends, department by department
- Details of the impact sickness absence has on colleagues
- Injury related injury data
- Management Plans to tackle sickness absence
- Best practice Councils
- Details of Health and Safety Training and take up statistics

4. Format of Information

- Officer Briefings
- Officer Reports
- Published Reviews by other Councils
- Expert advice
- Witness evidence
- Presentations

5. Methods Used to Gather Information

- Interviews with the relevant Officers
- Task and Finish Group meetings
- Desktop research

6. Co-Options to the Review

- Suggested that Louise Procter, Director, Health Services, Northants PCT, be co opted to the Task and Finish Group for the life of the Review

7 Equality Impact Screening Assessment

- An Equality Impact Screening Assessment to be undertaken on the scope of the Review.

8 Evidence gathering Timetable

March/April 2010

Schedule of meetings to be agreed

9 Responsible Officers

Lead Officer	Catherine Wilson, Head of Human Resources
Co-ordinator	Tracy Tiff

10 Resources and Budgets

Catherine Wilson, Head of Human Resources, to provide internal advice.

11 Final report presented by:

Completed by April 2010. Presented by the Chair of the Task and Finish Group to Overview and Scrutiny Committee 3 and then to Cabinet.

12 Monitoring procedure:

Review the impact of the report after six months (October/November 2010)