

OVERVIEW & SCRUTINY ORGANISATION AND RESOURCES SELECT COMMITTEE

DRAFT MINUTES OF THE OVERVIEW & SCRUTINY ORGANISATION AND RESOURCES SELECT COMMITTEE MEETING HELD ON 18 NOVEMBER 2010 AT COMMITTEE ROOM III, COUNTY HALL, TROWBRIDGE.

Present:

Cllr Nigel Carter, Cllr Tony Deane (Vice Chairman), Cllr Christopher Devine, Cllr Nick Fogg, Cllr Charles Howard, Cllr Jon Hubbard, Cllr Jacqui Lay, Cllr Jeff Osborn (Chairman), Cllr Bill Roberts, Cllr Judy Rooke and Cllr Jonathon Seed

Also Present:

Cllr Allison Bucknell and Cllr John Noeken

99. **Apologies**

Apologies were received from Cllr Peter Doyle and Cllr Ricky Rogers.

100. **Minutes of the Previous Meeting**

The minutes of the previous meeting were approved and signed as a correct record with the following amendment:

Page 6 – Member Support in the Locality

The third paragraph to be amended to read:

Clarification was provided that area boards now had a dedicated press officer within the Communications team to liaise with regarding press activity.

101. **Chairman's Announcement**

There were no Chairman's announcements.

102. **Members' Interests**

No declarations of interest were received.

103. **Public Participation**

There was no public participation.

104. **Human Resources (HR) Matters**

The Committee at its previous meeting held in September requested that an update on HR related matters was received in November.

A report was duly presented by the Service Director, HR and Organisational Development which outlined the current strategic workload priorities within HR, including details of the support provided to achieve the people management savings to be outlined in the Council's Business Plan. An additional report was also provided which outlined the process of implementing workforce plans within the Council.

Clarification was provided that the HR Self Service tool would replace the existing HR Online tool and was expected to be in place from 1 January 2011.

The deadline for submitting the initial applications for voluntary redundancies as part of the Management Review was 26 November with a briefing to Directors made on 29 November. Dependant on the results of the initial consultation, a second opportunity to submit applications may be available from 2 January 2011. An announcement on the status of redundancies would be made by the end of the financial year.

An Employee Assistance Package was in place to ensure that those taking redundancy received full support on leaving the organisation. A copy of the Package would be circulated to members of the Committee for information.

It was understood that 551 'at risk' letters had been circulated and it was anticipated that the results of the initial round would be communicated to staff by the end of January 2011. The Council expected to reduce posts by approx 240. £5m had previously been set aside to cover the costs of the associated redundancy packages expected.

In addition to the need to secure people cost savings of £16m by April 2011, Unions had been informed of the need to secure a further annual saving of £2.5m. A meeting had been held with the relevant unions and details of the locally determined terms and conditions from which the proposed savings could be achieved were detailed within the report.

Written confirmation on the current costs relating to each of the bulleted points under paragraph 9 of the Human Resources (HR) Update would be provided to the Committee following the meeting.

A recommendation was to be made to the Staffing Policy Committee for the 3 existing subsidised lease car schemes to be closed. The Cabinet Member for

Resources confirmed that a replacement scheme was currently being discussed and was likely to be addressed by the Staff Management Executive Board at its next meeting in December. Any changes to the scheme would require involvement of the Trade Unions and would ultimately form part of the Terms and Conditions negotiations.

In line with the Local Government Workforce Strategy 2010, a priority for the Council would be to ensure an appropriate Pay and Rewards scheme was in place to reward the workforce whilst ensuring that budget and efficiency requirements were met. Examples included flexible working hours and the ability to work in varied locations to meet the needs of the workforce whilst ensuring high performance was maintained.

In addition to the expected 47 redundancies within the Resource department, a further 50 plus members of staff would be receiving pay reductions as a consequence of restructuring from the management review which would also assist the Council in achieving the necessary cost savings. This would apply to the two tiers below the Head of Service level. Details of the posts affected and the impact on the department resources would be provided once known.

Although the Committee understood and agreed with the legal and statutory requirement to ensure equality and diversity across the organisation, there was a need to ensure that indirect discrimination did not take place when applications were considered.

The Committee also highlighted the need to ensure staff morale was monitored. Good communication was vital to ensure staff were fully briefed on what was happening within the organisation and to ensure high quality performance was maintained.

Following consideration of the reports provided, discussion commenced on the recently published structure changes proposed for the organisation. A link to the structure charts was given to members and hard copies tabled at the meeting.

Clarification was provided that the current Service Director positions for IT and Shared Services were to be combined into a new 'Director of Business Services' role.

Discussion also took place in relation to the Area Board structure within the Communities, Libraries, Heritage and Arts department where further clarification would be sought from the Cabinet Member for Communities on the exact number of Community Area Managers (CAMS) reporting to the Head of Community Area Boards.

Cllr Seed congratulated the Cabinet Member and officers on the way the budgetary reductions had been addressed and agreed that the 'invest to save' approach of the Council was appropriate to ensure future savings.

Resolved:

- 1) To thank the Cabinet Member and officers for the information provided;**
- 2) To request that the Cabinet member note the comments made by the Committee;**
- 3) To request the Cabinet Member for Communities would be requested to provide clarity on the exact number of CAMS reporting to the Head of Community Area Boards; and**
- 4) To receive the Committee would receive a further update on HR matters in January 2011.**

105. SAP Post Implementation Review

This item was included on the Committee's agenda following the disbandment of the Budget & Performance Task Group who had requested sight of the post-implementation review of the SAP system which was to be considered by the Audit Committee at its next meeting in December. The report provided an opportunity to receive an external opinion from KPMG on the workings of the SAP system.

The Cabinet Member and the Corporate Director for Resources confirmed that they were happy with the report provided but acknowledged that there were still some issues to address. However, significant progress had and continued to be made in these areas identified by KPMG.

Visits to other organisations using the SAP system had also taken place to learn from experience. Contact had now been received from a number of organisations who were keen to see the success of the implementation of the system by Wiltshire Council.

Although it was understood that the SAP system potentially had a wider capacity than currently used by the Council, additional modules of the system would not be considered unless there was a business case demonstrating a positive return equating to at least 10% efficiency gain.

The Chairman spoke to a draft motion he had circulated. The Cabinet member identified that he was happy with it's content except that 2(ii) and 4(iv) were wrong. Nevertheless the motion as originally drafted was put to the meeting and was approved.

The Committee noted that there was no documented long term strategy for the SAP system although acknowledged that there was focus on fixing existing issues to ensure the system remained operational.

Resolved:

- (1) To acknowledge;**
 - (i) the overall findings by KPMG that “Ultimately Wiltshire Council achieved a great deal in successfully implementing a major SAP system”;**
 - (ii) the decision to go live on 1 April 2009 was bold but appeared to have been the right one; and**
 - (iii) that project initiation and planning was well organised and co-ordinated, a good standard of project documentation existed and that the Council’s SAP trainers showed a great deal of dedication.**

- (2) However, in acknowledging the above to particularly highlight the following points:**
 - (i) that conflicting and competing priorities within the council at the time resulted in limiting capacity and resources for the project;**
 - (ii) there were currently no plans to further invest in SAP so as to drive out further efficiencies in other areas of the business;**
 - (iii) planned head-count reductions would mean that it was likely future projects would have to consider the use of contractors where internal capacity and/or skills were limited; and**
 - (iv) some service areas felt uncomfortable with the pace of the project and struggled to provide sufficient resource to manage the necessary business change activities that were delegated to them.**

- (3) To note the following points for further scrutiny at the appropriate time:**
 - (i) Procurement and Commissioning Programme which commenced in July would address procurement issues including several new buyers appointed by the end of the year;**
 - (ii) A plan was being drawn up with a timeline for migrating significantly more financial processes and the associated staff into the Shared Services Team. This also included a development plan for procurement;**

- (iii) **The SAP strategy scheduled for March 2011 would form an integral part of the overall ICT strategy which was currently being developed to align with the Council Business Plan; and**
 - (iv) **The Corporate Programme Office was being reviewed as part of the Council's business planning process and a benefits realisation plan was being developed to underpin the successful delivery of the business plan.**
- (4) In addition to note the following general but important points:**
- (i) **Management should aim to use SAP functionality to the fullest extent possible appropriate to the organisation in order to avoid end-user developed applications;**
 - (ii) **Areas of the business should be identified that were not taking full advantage of SAP;**
 - (iii) **KPMG did not audit the financial savings reported;**
 - (iv) **KPMG identified that a key practice for getting value from a project was that it was driven by the executive (top management culture).**
- (5) To formally advise the responsible Cabinet Member and Audit Committee of the Select Committee's consideration and highlighted views on the report, and to receive responses from them in respect of the actions recommended by KPMG and the lessons learnt by the Council (bearing in mind the management responses already in the report).**

106. Central Government Announcements in Relation to Performance Indicators

The Service Director, Performance attended the meeting to provide the Committee with an update on the implications of the announcement made by the Rt Hon Eric Pickles MP in October that all designations of local improvement targets in Local Area Agreements had been revoked.

Clarification was provided that central government felt there was no further need for local improvement targets. Accordingly the National Indicator (NI) set had been removed and would be replaced in April 2011 with an alternative monitoring process. However there was still a need for local authorities to provide much of the current data for the remainder of the financial year.

The Committee were reminded that the Local Agreement for Wiltshire was wider than just the LA targets and that the requirement to provide information

would continue to run through to March 2011. Members of the Committee expressed concern over the implications any reform would have on partnership working. It was understood that further changes in relation to partners were expected but not yet known.

The Public Service Board were likely to consider the implications further in the New Year following expected announcements. In the interim it was noted that regular reports on the Local Agreement for Wiltshire would continue to be presented to Cabinet on a quarterly basis.

Members noted that although no further Performance Reward Grant payments would be received, there was still £2m remaining of the Grant received to date for the next 2 years.

Members were also asked to note that the consultation for the new framework for Adult Social Care was released on 16 November and provided clarification of 22 indicators within this area.

Resolved:

- 1) To note the update provided and request that the Cabinet Member note the concerns raised.**
- 2) To receive further updates on changes to Local Authority Performance Arrangements once known.**

107. Future Scrutiny of Procurement and Commissioning

The Select Committee, at its meeting in September, considered the findings of a Rapid Scrutiny Exercise undertaken on the Corporate Procurement Strategy in addition to a presentation made by the Corporate Director, Resources on the proposed strategy and approach to future procurement and commissioning.

The Committee resolved that a paper be submitted to this meeting providing details of the options available on how the Committee could carry out its scrutiny work of contracts and procurement, where there was a need for £9m cost savings to be achieved by April 2011 as part of the overall £40m savings for the Council.

The report proposed several options for consideration to include that the Major Contract Task Groups within Select Committees be disbanded taking into consideration that commissioning and procurement would now fall under the remit of the Corporate Director, Resources and that an alternative structure should be implemented to reflect this change.

Ensuing discussion included concern that this proposal would reduce the overall number of members involved in the process and that this could result in a

reliance on a small group of councillors without the necessary expertise which could open up the potential for politically focused debate.

There was also concern over the scale of control in place with regards to the procurement process where it was noted that the training programme established as part of the Procurement Board had been withdrawn due to the level of take-up.

The Committee further discussed the benefits of the options provided to include the potential to establish a new single Task Group with a focus on the delivery of the new Programme and potential scrutiny representation on the Corporate Procurement Board.

The Corporate Director was requested to voice his preferred option of approach and could see the benefit to members of retaining the existing Major Contracts Task Groups with reporting to the Committee where required on the strategic and policy issues relating to the Programme.

Resolved:

To retain the 4 Major Contract Task Groups each linked to the individual Select Committees but that these Task Groups would now also hold the Procurement Board to account. The Task Groups would continue to report to the parent Select Committee and now also to the Overview and Scrutiny Organisation and Resources Select Committee by exception. The Terms of Reference would be revised accordingly.

108. **Budget & Performance**

The Committee was reminded of the new arrangements for the Select Committees to undertake individual scrutiny of budget and performance matters by exception as resolved at the Committee's previous meeting held on 16 September following the cessation of the Budget and Performance Task Group.

As detailed in the Agenda, clarification was provided that the Chairman and Vice Chairman of the Committee had reviewed the budget monitoring report submitted to Council on 19 October. In relation to corporate and resources matters questions were raised with the Interim Director of Finance accordingly, and a satisfactory response was received.

It was requested that budget and performance be raised again at the next meeting of the Liaison Board to ensure there was clarity across all Select Committees on the revised arrangements.

Resolved:

- 1) To note the action taken by the Chairman and Vice-Chairman on behalf of the Committee.**

- 2) **To request that Budget & Performance is added to the next Management and Coordination Liaison Board to allow discussion on how the new arrangements were working in practise.**

109. **Delegation of Executive Functions - Cabinet (Capital Assets) Committee**

The Committee was presented with details of the newly formed Cabinet (Capital Assets) Committee. It's Terms of Reference included:

- to receive and monitor reporting information from the Workplace Transformation Programme Board regarding the delivery of that programme; and
- strategic overview of the Council's policy on Section 106 funding and the use of the funds.

Resolved:

The Committee noted the information provided and the particular responsibilities relevant to current scrutiny activities.

110. **Task Group/Rapid Scrutiny Update**

i) **Major Contracts**

The discussion under item 107 above was noted.

ii) **ICT**

Clarification was provided that scrutiny of the handover timetable had taken place. The transfer of staff was also considered with confirmation that Steria had given notification of the numbers included to ensure as smooth a transition as possible.

The next meeting of the Task Group is scheduled to take place on 3 December which was hoped to be the final meeting as the delivery of service would transfer from January 2011.

Cllr Hubbard would be attending a couple of sessions with the IT team to establish how future support would be provided.

iii) **Partnerships**

Clarification was provided that a positive meeting had taken place on 28 October. The Chairman of the Community Safety Partnership Board

would be attending the next meeting. The Group hoped to bring a final report to Committee at its next meeting in January.

iv) Workplace Transformation Programme (WTP)

The next meeting was scheduled to take place at the Olympiad, Chippenham on 29 November. Cllr George Jeans would be replacing Cllr Phillip Brown on the Task Group.

The Committee considered the update provided by the Corporate Director, Resources in relation to the PFI Agreement for the provision of office accommodation at Monkton Park, Chippenham.

Resolved:

To note the latest position regarding the future of the Monkton Park site.

v) S106

In addition to the information provided with the Agenda, the Chairman of the Group clarified that 4 meetings had taken place to date. The Task Group had concluded an increase in resource was required to ensure the completion of the database that would store details of the anticipated 820 agreements.

The importance of completing this task was highlighted as currently there was no consistency over the approach to payments made in relation to S106 agreement across the County.

14 agreements had already been identified as significant with approximately £300k planning gain per agreement. The Task Group were concerned that the S106 Officer estimated the exercise of sourcing the relevant details and updating the database with this information alone would take approximately one month to complete and the impact that could have on the organisation.

Ensuing discussion included that as part of the 'invest to save' approach, providing additional resource in this area would prove of benefit to the organisation and that the potential merging of hubs could result in the sourcing of information becoming more problematic in the future.

Clarification was also provided that Cllr Tony Deane would replace Cllr Phillip Brown on the Task Group.

The concerns raised by the Task Group were supported by the Select Committee.

Resolved:

- 1) To thank the Task Group for its continued good work in scrutinising Wiltshire Council's management of Section 106 agreements since receipt of its interim report in July 2010;**
- 2) To support the ongoing work to create a Corporate database to monitor Section 106 Agreements since the inception of Wiltshire Council;**
- 3) To request that the Cabinet Member note the concern of the Committee on the progress made towards cataloguing S106 Agreements approved by the 5 former councils and the potential risks this presents to:
 - i) infrastructure developments not taking place due to funds not being used; and**
 - ii) developers requesting their contributions back as they had not been used within the designated time.****
- 4) To endorse the Task Group's recommendation to the Cabinet Member with responsibility for Development to ensure adequate resources were put in place to complete the cataloguing of historic S106 agreements and to ensure that the balance of information on S106 agreements with financial conditions is available to the Task Group within 12 months of its formation (May 2011);**
- 5) That the Scrutiny Committee be kept fully up to date on the development of the work undertaken;**
- 6) To note the S106 Officer's commitment to circulate to the Task Group details of the 13 largest S106 agreements on or before 8 December 2010;**
- 7) To note the recent establishment of the Cabinet (Capital Assets) Committee which has within its terms of reference responsibility for the strategic overview of the Council's policy on S106 funding and the use of funds;**
- 8) To advise the Cabinet (Capital Assets) Committee of the Task Group's concerns including the recommendation to the Cabinet member to identify sufficient resources to complete the database;**
- 9) To received the Task Group's final report in due course to include the Council's approach to any potential 'roof tax'**

based tariff and the encouragement of future development within Wiltshire; and

10) That the Cabinet Member, Corporate Director and Head of Planning be invited to appear and report on this matter at the next Committee in January 2011.

vi) Member Support in the Locality

In relation to the Executive response following the recommendations made by the Task Group, members of the Committee felt that Point (2) in respect of e-mails informing Councillors of Cabinet Member delegated decisions required further development to include an explanation of the decision.

Members also felt that Councillors should be given the opportunity to link their independent websites to the Council's webpage, with an appropriate disclaimer attached.

vii) Library Review

A report following the Rapid Scrutiny Exercise would be presented to the Committee at its next meeting in January 2011.

111. Scrutiny Representation on Project Boards - Update

i) Revenue and Benefits Project Board

The Chairman had recently received an enquiry relating to the cost of administering the system as a percentage of monies collected to benchmark against other councils.

The Corporate Director of Resources confirmed that a formal inspection had recently taken place and that although the formal results would not be published until December/early January time, the interim results were looking positive.

Following further discussion it was agreed that the Revenue and Benefits System would be added to the Forward Work Programme for January 2011.

ii) Customer Focus Board

The update provided with the Agenda on the work of the Customer Focus Board was noted.

iii) Agency Contract Project Board

The new working arrangements in relation to the provision of agency staff were expected to be implemented by 29 November. The Scrutiny Representative on the Board would provide the Committee with a report at its next meeting in January.

iv) Staffing Management Executive Board (formerly Pay Harmonisation Board)

The Committee noted the update provided under Item 104 above in relation to HR matters.

The scrutiny representative would be requested to provide a report for the Committee's next meeting in January.

112. **Forward Work Programme**

Clarification was provided that the Workplace Transformation Programme and ICT Task Groups would remain as separate task groups for the immediate future. The Forward Work Programme would be amended accordingly.

Resolved:

To note the Forward Work Programme.

113. **Urgent Items**

None.

114. **Date of next Meeting**

20 January 2011.

(Duration of meeting: 10.30 am - 12.55 pm)

The Officer who has produced these minutes is Sharon Smith, of Democratic & Members' Services, direct line (01225) 718378, e-mail sharonl.smith@wiltshire.gov.uk

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