

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

Thursday, 15 September 2011

Present: Councillor P Gilchrist (Chair)

Councillors A Brighouse D Dodd
RL Abbey P Doughty
J Keeley C Jones
A Cox S Williams

Deputies: Councillors S Mountney (In place of J Hale)

Cabinet Member: Councillor AER Jones

In attendance: Councillor J Green

26 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST/PARTY WHIP

Members were asked to consider whether they had personal or prejudicial interests in connection with any item(s) on this agenda and, if so, to declare them and state what they were.

Members were reminded that they should also declare, pursuant to paragraph 18 of the Overview and Scrutiny Procedure Rules, whether they were subject to a party whip in connection with any item(s) to be considered and, if so, to declare it and state the nature of the whipping arrangement.

No such declarations were made.

27 MINUTES

Resolved – That the minutes of the meeting held on 12 July 2011 be approved.

28 CHAIR'S ANNOUNCEMENT

The Chair referred to the Special Meeting of the Committee to be held on 27 September 2011, which had been arranged to focus primarily on key budget issues. He had also asked the officers to give a presentation in relation to the You Choose Budget Calculator and had proposed to give specific consideration to how best to move forward with budget scrutiny, within the available timescales.

He also advised Members of discussions that had taken place with group spokespersons and sought the views of the Committee to deferring consideration of a number of agenda items with budgetary implications to the Special Meeting.

Resolved –

(1) That consideration of the following agenda items be deferred to the Special Meeting of the Committee to be held on 27 September 2011 –

- **4. Budget Projections 2012/2015**
- **5. Outcome Based Commissioning**

- 7. Community Based Budgets
- 8. Treasury Management Performance Monitoring Quarter 1
- 12. Performance and Financial Review First Quarter 2011/2012

(2) That the order of the remaining items of business be varied accordingly.

29 **EARLY VOLUNTARY RETIREMENT/VOLUNTARY SEVERANCE AND ORGANISATIONAL CHANGE**

Further to minute 5 (12 July 2011), the Director of Law, HR and Asset Management provided a detailed outline of the Early Voluntary Retirement/Voluntary Severance (EVR/VS) exercise and the organisational change which took place as a result. The EVR/VS exercise resulted in 1181 employees leaving the Council between 31 December 2010 and 22 July 2011 and the Director provided a breakdown of the process by Department.

The extent of the change meant that a number of areas of targeted support needed to be put in place and he provided detailed information in relation to –

- Support for employees in their personal decision making process about whether to accept EVR/VS
- Support for those employees being redeployed as a result of service changes
- Support for the organisation to re-model structures as a result of the leavers
- Support for all managers and employees delivering in a smaller, re-modelled organisation
- Improved communication to ensure that all employees were communicated with effectively

In response to comments from Members, the Director indicated that there was a “Planning for the Future” support programme in place to guide and help those leaving the organisation. However, although there had not as yet been any sampling or follow up work undertaken, it was an area of work which may be considered in the future.

In response to further questions, the Director referred to the filters that had been applied when considering applications for EVR/VS, which were intended to ensure that people or Council services were not put at risk. He commented upon a ‘bumping’ process that had been possible in some circumstances but indicated that 351 applications for EVR/VS had subsequently been refused. An appeals process had been undertaken, which had resulted in 17 out of 127 appeals being upheld and released before July 2011. The Director recognised that the EVR/VS exercise had happened quickly but maintained that it had been a managed process, undertaken with the co-operation of the trades unions. Furthermore, although the filtering processes had been largely successful, there was a specific budget in place to fund the replacement of key posts that had been identified following departmental restructuring.

In response to further questions from a Member, the Director agreed to present an update to a future meeting of the Committee in relation to the number of vacated posts as a result of EVR/VS that had subsequently filled. He proposed also to provide details direct to the Committee in relation to the costs to the Council of the MBA leadership course and the number of Council officers who had completed it.

Resolved –

- (1) That the report be noted.**
- (2) That the thanks of the Committee be accorded to the officers for the intensive work in dealing with the various issues arising from the EVR/VS process, including its impact on staff and their families.**

30 FINANCIAL MONITORING STATEMENT

The Director of Finance presented a summary of the position of the revenue accounts and General Fund balances as at 31 July 2011, together with the latest update as at 31 August 2011. The Statement included the composition of the original 2011/2012 budget by Department including agreed savings and the 'one year' policy options; monitoring against the 2011/2012 budget including the financial implications of any changes agreed through Cabinet decisions; anticipated variances, changes not agreed by Cabinet, against the original budget and comments to provide an explanation of variances and areas identified as requiring further attention.

He reported upon the impact of Cabinet decisions having budgetary implications and outlined a number of pressure areas that had been identified by Departments. In summary, he indicated that at 1 April 2011 when setting the 2011/2012 Budget, the projected level of balances was £14.1m. Of that, £7.2m was allocated to fund 'one-off' options and the cost of the Early Voluntary Retirement/Voluntary Severance (EVR/VS) Scheme in 2011/2012, leaving a projected balance at 31 March 2012 of £6.9m. The release of Connexions reserve monies allowed £4.4m (the EVR/VS scheme element) to be funded in 2010/2011, saving that sum in 2011/2012. The outturn for 2010/2011 resulted in a net increase in balances of £1m and he indicated that the changes detailed had reduced the balances by £5.5m.

Therefore, the current predicted balances were £6.8m, which would reduce by any further budgetary allocations or overspends within the 2011/2012 financial year.

Resolved –

- (1) That the report be noted.**
- (2) That an updated Financial Monitoring Statement be presented to the Special Meeting of the Committee to be held on 27 September 2011.**

31 REVENUES, INCOME AND BENEFITS

The Director of Finance provided information on the position regarding Council Tax, National Non Domestic Rate, general debt and cash income collection and the payment of benefits.

Members referred to the shortfall in income from Golf Courses being largely as a result of adverse weather but sought the views of the Director of Technical Services in relation to the impact of the non payment of fees. The Director referred to the various measures in place to ensure that all fees were paid but commented that the benefits of increased security patrols had to be offset against their significant additional cost.

Resolved – That the report be noted.

The Director Technical Services/Programme Director (Strategic Change) provided a detailed update on the Council's Strategic Change Programme and reported that following an assessment of the financial benefits of 35 projects, in order to establish an accurate savings target and to ensure that there was no double counting, 12 projects had been identified to deliver £10.725m during 2011/2012. Currently, the programme was set to deliver £8.4m. Of the remainder, a number had identified savings that were realised through initiatives such as the EVR/VS exercise, two did not intend to achieve savings but sought to stabilise budgets, whilst the remainder had yet to determine financial benefits.

Work had been ongoing on a number of those projects and efficiencies identified. However, some projects required further work before being integrated into the programme and he indicated that they were presently held at the conception stage. The Strategic Change Programme Board (SCPB) had requested the development of Outline Business Cases for those projects to allow further consideration before formal entry into the Strategic Change Programme and they would be considered by the Board at its October meeting. He identified nine of the 35 projects, which had been closed as a result of programme cleansing, either because the activities had been completed and benefits achieved or it was no longer feasible to continue with the original objectives. The Director provided a summary provided of the number, status and current financial benefit of each project and commented that it aimed to provide an overview to Members of the content and progress of the Strategic Change Programme. Detailed information on the objectives and progress of each project should be requested from the relevant Chief Officer and portfolio holder.

He reported that the Strategic Change Programme Office (SCPO) was now fully functioning and was closely aligned to the Finance Department. However, it was not the role of the SCPO to deliver individual projects but to co-ordinate the programme and monitor its delivery. He provided details of the governance and delivery arrangements for the Strategic Change Programme, which stated that Chief Officers were ultimately accountable to the SCPB for project delivery and ensuring that they had effective people, systems and processes in place to deliver the outcomes.

He reported also that some projects within the programme were scheduled to run beyond 2011/2012 and indicative savings for 2012/2013 were in the order of £5-6m. The Board had not agreed those targets; but would consider them in further developing the programme alongside the work of overview and scrutiny committees to identify additional projects and activities to address the budget challenges faced by the Council.

In response to questions from Members, the Director agreed to provide details of the resource requirements of the SCP. He commented also that although a sufficient number of projects had been put forward by Chief Officers, all and every suggestion would be considered fully assessed.

Resolved –

- (1) That the thanks of the Committee be accorded to the officers for a full and detailed report and the content and progress of the Strategic Change Programme be noted.**
- (2) That the Committee looks forward to receiving details of emerging projects for inclusion within the Strategic Change Programme.**

33 OFFICE RATIONALISATION - UPDATE REPORT

Further to minute 11 (12 July 2011), the Director of Law, HR and Asset Management presented a report upon progress with the office rationalisation project. He commented upon the current position in relation to the first phase of building closures comprising Westminster House, which was now vacant and ready for sale, and the relocation of staff from the Old Courthouse and from the Willowtree facility. In response to questions from Members, the Director provided detailed information in relation to the valuation and disposal of Westminster House.

Phase 2 of the project had identified the vacation and closure of Liscard Municipal Offices, Bebington Town Hall and Bebington Town Hall Annexe and he reported that some discussions with affected services had commenced. However, he commented that even if those buildings were vacated, the overall density of occupation would remain substantially above the Council's previous target of 8.5 m2pp or the more ambitious targets for occupation in the EC Harris business case. Therefore, work was also underway within Phase 2 to identify a further major building for vacation and new locations for the affected staff. He indicated that options were being developed for the potential relocation of the Acre Lane facility which, he expected, would be reported for consideration by Members in December 2011. Within those options, he reported that the re-use of both Bebington Town Hall and Annexe would be considered, together with the potential to bring the Pennant House complex into use.

Key to identifying a further major building for closure would be to determine the future use and occupation within the Wallasey Complex and maximise the use of available space. Accommodation was currently vacant within the South Annexe that was prepared in case a requirement arose to locate staff in that building in the vacation of Westminster House. He proposed to present a report for consideration by the Cabinet in November 2011, which would recommend a way forward. In respect of the Wallasey Complex currently identified next steps included the implementation of the capital scheme for fire precaution and access works to Wallasey Town Hall; North Annexe Heating replacement and the business case for North Annexe refurbishment.

Resolved –

- (1) That the report be noted.**
- (2) That further detail in relation to matters contained within Phase 2 be presented to the Cabinet at the earliest opportunity.**

34 FORWARD PLAN

The Director of Law, HR and Asset Management reported that the Forward Plan for the period September to December 2011 had been published on the Council's intranet/website and Members had been invited to review the Plan prior to the meeting in order for the Council Excellence Overview and Scrutiny Committee to consider, having regard to the work programme, whether scrutiny should take place of any items contained within the Plan and, if so, how it could be done within relevant timescales and resources.

The Chair requested comments from officers in relation to a number of Forward Plan items and sought the views of Members as to whether they should be considered by the group spokespersons for possible inclusion in the Committee's work programme. The Director of Finance indicated that reports would be presented to the Cabinet on 13 October 2011 and to the next meeting of this Committee in relation to the Customer Access Strategy and the Capital Strategy. A report on Balance Sheet Management – Review of Reserves and Provisions would be presented to the

Cabinet on 8 December 2011 and to this Committee in January 2012. A report in relation to Libraries/One Stop Shop Mergers would be presented to the Sustainable Communities Overview and Scrutiny Committee.

Resolved – That the report of the Director of Finance in relation to Forward Plan items be noted.

35 **REVIEW OF SCRUTINY WORK PROGRAMME**

Members considered the Committees work programme for the ensuing municipal year and, in addition to those matters identified at the last meeting of the Committee, the Chair sought views of Members as to whether any additional topics should be added to it.

Resolved –

- (1) That the Work Programme be noted and no additional topics be added to it at the present time.**
- (2) That a report on Back Office Efficiencies be presented to the next meeting of the Committee.**

The Chair advised the Committee that he had authorised consideration of the following item of urgent business.

36 **REPLACEMENT PROGRAMME CONTROL SYSTEM SOFTWARE**

The Director of Technical Services reported upon the award of a contract for a five year period, under delegated authority, for the provision and support of replacement software for management of the Council's Strategic Change Programme (SCP). The contract for the current system ceased on the 1 November 2011 and a replacement system was required to continue the management of the SCP. He indicated that at the end of the initial five years there could be advantages to the Council in extending the support contract for a further five years and a second extension of five years was also allowed for in the contract. Those extensions would be evaluated at the time and would be dependent upon a comparison between the product and support offered by the incumbent supplier and those available in the market place. A decision to invite tenders would also need to take into account the associated costs of changing supplier and re-implementing the software.

The appendix to the report of the Director of Technical Services informed Members of key details of the contract and commercial confidential information concerning the tenders received (see minute 38 post).

Resolved –

- (1) That the award of the contract to Concerto Support Systems Ltd for a period of five years at a fixed cost of £68,900, with options to extend it for two further periods of five years each if considered advantageous to the Council, be noted.**
- (2) That it also be noted that the contract allows for licensing expanded use of the system to meet all likely longer term council requirements to meet its project management needs.**

37 **EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC**

Resolved – That in accordance with section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by the relevant paragraphs of Part 1 of Schedule 12A (as amended) to that Act. The public interest test has been applied and favours exclusion.

38 **EXEMPT APPENDIX**

The Committee considered the appendix to the report of the Director of Technical Services in relation to Replacement Programme Control System Software (see minute 36 ante), which was exempt and not for publication as it contained the key details of the contract and commercial confidential information concerning the tenders received.

Resolved – That the information contained within the exempt appendix document be noted.
