

RESOURCES OVERVIEW AND SCRUTINY PANEL

THURSDAY 17 FEBRUARY 2011 AT 10.00AM

PRESENT: Councillor Allison (Chairman), Councillors Bowditch, Bowman S, Craig, and Layden.

ALSO

PRESENT: Councillor G Ellis – Performance and Development Portfolio Holder
Councillor B Earp - Observer

ROSP.10/11 APOLOGIES FOR ABSENCE

Apologies were submitted on behalf of Councillors Boaden, Hendry and Watson and on behalf of Councillor J Mallinson, Governance and Resources Portfolio Holder.

ROSP.11/11 DECLARATIONS OF INTEREST

There were no declarations of interest in respect of the business to be considered.

ROSP.12/11 MINUTES OF PREVIOUS MEETINGS

RESOLVED – That the minutes of the meetings held on 6 January 2011 be noted.

ROSP.13/11 CALL-IN OF DECISIONS

There were no items which had been the subject of call-in.

ROSP.14/11 OVERVIEW REPORT AND WORK PROGRAMME

The Overview and Scrutiny Officer (Mrs Edwards) presented report OS.05/11 which provided an overview of matters related to the Resources Overview and Scrutiny Panel's work. Also included was the latest version of the work programme and details of Forward Plan items relevant to this Panel.

Mrs Edwards reported:

- That the Forward Plan of Executive key decisions, covering the period 1 February 2011 to 31 May 2011 had been published on 18 January 2011 and was included in the Overview Report. The Forward Plan for 1 March to 30 June 2011 had been published on 15 February 2011 and there was one item within the Panel's remit; KD.007/11 Replacement Pavement Sweepers – release of capital. The item was scheduled to be considered by the Executive on 18 April 2011 and would be available for Resources in June 2011.

- A reference from the Executive, EX.007/11 Policy Framework, held on 19 January 2011 was attached to the report.

RESOLVED – 1) That the Overview Report incorporating the Work Programme and Forward Plan items relevant to this Panel be noted.

2) That minute excerpt EX.007/11 from the Executive held on 19 January 2011 regarding the Policy Framework be noted.

3) That Forward Plan item KD.007/11 would not be considered by the Panel in June 2011.

ROSP.15/11 SHARED SERVICES

The Assistant Director (Resources) (Mr Mason) submitted report RD.79/10 giving an update on the Revenues and Benefits, ICT Connect and Audit Shared Services.

The Panel agreed to consider each section of the report individually:

ICT Connect

The ICT Connect Services Manager (Mr Scott) reported that the ICT shared services was in its second year of operations and he reported a good start to the service. The implementation of the high speed data link was a positive step forward in enabling the provision of additional shared services. He added that there had been some issues with regard to workload and staff vacancies which impacted on the number of projects completed. The issues were being addressed and the service was on target to meet the required financial savings, with the projected year end underspend being £50,000 to be shared between the two authorities. The underspend was due to the service reducing costs more quickly than anticipated.

Mr Scott clarified that the generation of external income figures in the report was the income raised by ICT Connect providing services to outside bodies. The final figures were expected to be higher than stated in the report.

In response to a question Mr Scott confirmed that any delays to projects would not impact on the Council in financial terms. The projects that were delayed were ones that would improve the business continuity rather than produce savings.

The Performance and Development Portfolio Holder asked what impact a change in services to Tullie House may have in the future. Mr Scott responded that if Tullie House did change their requirements in the future it would have a significant impact on ICT Connect as there was, at present, a £147,000 recharge built into the budget. ICT Connect was aware of the potential change and had taken a proactive approach by entering into discussion with Tullie House on the future provisions. He explained that one suggested would be to provide the service on a commercial basis similar to the service provided to Carlisle Leisure Limited. Carlisle Leisure Limited were charged an annual fixed price based on the number of PC's they had, including the

operation they had in Allerdale. The charge was reviewed each year and covered the cost of the desktop support provided.

Mr Scott acknowledged Members concerns with regard to morale within ICT Connect and explained that one of the reasons for ensuring that ICT Connect was a stand alone entity was to create a feeling for staff of a new separate entity instead of being taken over by Allerdale. The re-branding of ICT Connect helped create the sense of a new organisation. It had been difficult for staff during the initial phases of the shared services but morale had improved in the last year and a lot of work had gone into team building.

Members highlighted the lack of progress with regard to ICT32 and asked for more details on the encryption of laptops.

Mr Scott explained that the authority was waiting for information and guidance from the Information Commissioner with regard to the encryption of laptops. The guidance could have an impact on the workload of the service and cost implications for the authority. He informed the Panel of the reason for the encryption of laptops and the difference between encryption and Metaframe Citrix. He felt that it was important for the authority to encrypt all laptops. There were approximately 140 laptops and it would cost an average of £80 to £100 to encrypt each one, with additional costs if Blackberries were also to be encrypted. The decision to go ahead with the encryptions would have to be made by the operational board.

Mr Mason added that the Council had undertaken an in depth audit on security and there was no immediate risk to the authority.

The Deputy Chief Executive and Strategic Director (Governance and Resources) (Dr Gooding) informed the Panel that the encryption of laptops had been included in the programme of work for ICT Connect and therefore was already budgeted for and it was anticipated that it would be completed by June.

A Member asked if there would be any financial merit in Members bringing their laptops into the building when they had issues instead of a member of the IT helpdesk visiting their homes.

Mr Scott agreed that there was some merit for Members to bring their laptops to the Civic Centre. The helpdesk was a labour intensive provision which provided a high quality high response service. The helpdesk was managed by 7 full time equivalent staff for both authorities. Any consideration given to potential changes would have to take into account what service ICT Connect would continue to provide. ICT Connect were looking at some changes for the helpdesk and would be providing a self service form on the intranet so staff could log issues without having to call the helpdesk. This would reduce the cover required for the telephones.

In response to a Member's concern Mr Scott explained that the Cumbria IT Managers group would be meeting on 17 February and would discuss the possibility of streamlining the equipment and IT process for those Councillors who served on more than one authority.

Revenues and Benefits

Mr Mason explained that Carlisle, Copeland and Allerdale Council staff had transferred to the shared service in June 2010 with Carlisle as the employing authority. The service became fully functional from October 2010 when staff were 'job matched' to their new roles within the shared service.

He drew Members attention to appendix 3 of the report which gave detailed information on progress to date. He added that the performance information in the report came, mainly, from requirements from Allerdale and Copeland. He explained that a short term dip in performance had been expected and it was anticipated that performance would return to normal by the end of March 2011.

Mr Mason informed the Panel that a challenge for the shared services had been merging the three authorities due to the differences in pay scales. Using the City Council as a base there had been approximately 42 members of staff paid less and 30 members of staff paid more. The strategic board were currently considering an ETO (economic, technical or organisational reason to change) to address the situation.

Dr Gooding added that when staff had been transferred to the City Council it was on the principle of equal pay for equal work. The City Council had already dismissed and reinstated all of their staff on that basis. It was very important that the principle was followed when dealing with the shared services. He added that it was important that the Council upheld the principle with partners and both Allerdale and Copeland understood the issue.

Mr Mason informed the Panel that the Welfare Reform White Paper proposed the transfer of housing benefit to a unified benefit. This would have a major impact on the shared service and could result in a much smaller service in the future. There was also implications for the shared service of fraud investigation being centralised.

Internal Audit

Mr Mason reported that the Internal Audit shared services between the City Council and the County Council had been running on an interim basis since December 2010 with the County Council as the employing authority. Delays in the shared service becoming fully operational had been due to the County Council and Copeland being unable, to date, to agree final wording on the governance terms and conditions. The Audit Committee had been kept fully informed on the introduction of the Audit shared service.

He reminded the Panel that the Internal Audit shared service had not been established to generate financial savings but to provide a more robust and comprehensive internal audit service provision for the three Councils. However, as part of the transformation review the Head of Internal Audit post had been deleted and generated savings of £52,000 towards the transformation target.

RESOLVED –That the Panel welcomed the update on the Shared Services and looked forward to the next annual update.

ROSP.16/11 AMENDMENT TO COUNCIL FRAMEWORK FOR MEMBER LEARNING

The Organisational Development Manager (Ms Titley) submitted report CE.03/11 concerning the Member Learning and Development Framework (MLDF) adopted by Council in August 2004 and subsequently amended in June 2008.

Ms Titley indicated that the Member Learning and Development Working Group (MLDWG) had on 23 November 2010 considered the current MLDF and recommended that changes be made to the sections on Personal Development Reviews (PDRs); the Learning Credits Scheme and parts of the Member Learning and Development Programme (MLDP). The proposed changes would ensure that Member learning initiatives supported Members in meeting the challenges proposed in the new Localism Bill and in continuing to champion the needs of their communities.

PDRs had been introduced in 2004 as part of the MLDF, the idea being that Members would meet with a Member Learning and Development Representative (now Member Champions) to discuss their learning needs and develop a Personal Development Plan. The MLDWG had reviewed the PDR process in 2010 and concluded that a new approach was needed to look at a wider range of issues.

Ms Titley then outlined for Members the following proposals, details of which were set out within her report -

Proposal 1 - replace Personal Development Reviews with a Member / Leader Review;

Proposal 2 - remove the Learning Credits Scheme from the Member Learning and Development Framework; and

Proposal 3 - require new Members and Substitute Members on the Licensing and Development Control Committees; Employment and Appeals Panels to attend relevant training before they sat on a Committee.

She added that the MLDWG was working with the Organisational Development Team to look at new ideas for Member learning opportunities, including workshops in the three key areas mentioned above. They were also looking at new ways to deliver Member learning to encourage more Members to engage with learning and development opportunities.

The Executive had on 14 February considered the matter (EX.17/11) and decided:

- “1. That the Executive had considered the proposed changes to the Council Framework for Member Learning contained within Report CE.01/11 and made

the report available for consideration by the Resources Overview and Scrutiny Panel.

2. That a further report be submitted to the 14 March 2011 meeting of the Executive to consider referring the matter to Council on 26 April 2011.”

In considering the report Members raised the following questions and comments:

- *Had the proposed Member/Leader Reviews been discussed with each of the Group Leaders?*

Ms Titley responded that it had been agreed at the Member Learning Development Group held in November 2010 that the Learning Champions would discuss the proposal with their Group Leaders and they had been happy to move forward with the proposal. She added that the proposed Member/Leader Review would remove the formality of the PDRs and give Members the opportunity for a one to one discussion with their Group Leaders.

The Performance and Development Portfolio Holder added that feedback from the PDRs had indicated that the PDRs were complicated and caused a lot of work. The proposed Reviews would give Members the opportunity to talk to their Group Leaders to discuss issues within their wards and raise training needs. They would still assist in retaining the Members Charter. The proposed pro forma, as exemplified in the report was simple and designed to aid a useful discussion. Copies of the completed pro forma would be kept by the Member, the Group Leader and the Organisational Development Manager.

- *Members had raised some concerns with regard to the amount of training they had received.*

Ms Titley agreed that training needed to be relevant for Members and the MLDWG had decided that new members and substitutes on the Licensing Committee and Development Control Committee should undergo training before they could sit on the committee. New members and substitutes on the Employment Panel and Appeals Panels should attend equality and diversity training before they sit on a panel. It was agreed that this would be the only training required for Members.

- *Members welcomed the proposals outlined in the report and felt that it was invaluable for Members to be participating in one to one discussions with their Leaders.*
- *Who would carry out the Review with the Group Leaders?*

The Performance and Development Portfolio Holder stated that there was still some discussion needed with regard to the Leaders Reviews.

Councillor Earp informed the Panel that the two Liberal Democrat group Leader would carry out the Review with the Council's two Independent Members.

- *How could the Council encourage Members to attend other training such as Equality and Diversity?*

Ms Titley commented that the promotion of training events did need to be addressed; this could be done by ensuring the training is relevant to Members roles. Work had begun with the Policy and Performance Manager to make the training interesting and relevant.

Ms Titley informed the Panel of a training day that was being organised for all Members in June 2011. The day would be held on a Saturday and would comprise of a series of workshops on a range of topics. The day would be followed by various training opportunities throughout the year.

RESOLVED – That the Panel welcomed the proposed changes as set out in Report CE.03/11 – Amendment to Council Framework for Member Learning.

ROSP.17/11 ORGANISATIONAL DEVELOPMENT PLAN 2011 - 2013

The Organisational Development Manager (Ms Titley) submitted report CE.04 /11 concerning the Council's Organisational Development Plan.

Ms Titley reminded Members that the Council had in 2007 produced the Workforce Development Plan 2006 - 2010 which set out the workforce challenges facing the authority, planned steps to address those challenges, and a range of workforce demographic data. She added that since production of the Plan the City Council, in common with all local authorities, had faced significant financial challenges, the response to which had been implementation of the Transformation Programme.

Clearly the City Council in 2013 would look very different from the authority that existed when the WDP was introduced in 2006. Innovative approaches to service delivery would require staff who could adapt to changing work roles and the City Council would continue to invest in staff development to ensure that necessary skills and abilities were in place.

The Organisational Development Plan, appended to the report, utilised a similar format to the Corporate Plan. Instead of using the City Council's priorities as the key headings, it was based upon the five strategic priorities of the Local Government Workforce Strategy 2010, namely organisational development; leadership development; skills development; and recruitment and retention (pay and rewards became recognition and reward). The Plan set out the Council's key objectives, the outcomes for employees, key actions and key measures of success.

Ms Titley reported that although performance in several of the areas covered by the Organisational Development Plan was measured by a range of existing performance indicators, the intention was to develop new performance indicators from the employee opinion survey, including the percentage of staff rating the Council as a good employer and percentage of staff who felt valued as employees. She added that the demographic data previously included within the Workforce Development Plan would be published as an Annual Report and would be of more use for

workforce planning purposes. An Action Plan would also be produced to demonstrate how and when key actions would be achieved.

The Executive had on 14 February considered the matter (EX.18/11) and decided:

- “1. That the Executive had considered the Organisational Development Plan 2011 - 2013, as appended to Report CE.2/11 and made the report available for consideration by the Resources Overview and Scrutiny Panel.
2. That a further report be submitted to the Executive at their meeting on 14 March 2011 to consider referral of the matter to Council on 26 April 2011.”

In considering the Plan Members raised the following comments and questions:

- *A Member asked if staff training that was being carried out was to enhance their job or to comply with paperwork.*

The Deputy Chief Executive and Strategic Director (Governance and Resources) responded that there were a number of elements to staff training. It was important to ensure that staff were receiving the necessary skills and qualifications required to carry out their work. It was also very important for the Council to partake in workforce planning to ensure jobs were covered in the future. Training made the City Council a good employer, it raised morale and gave staff aspirations and it gave the Council the opportunity to reduce the use of external recruitment.

He explained that the Council expected all staff to input into performance management and targets and this required a higher degree of numeracy and literacy for everyone so the Council provided Skills for Life training which developed those skills.

He added that staff training helped to develop a more effective organisation and allowed the Council to grow into the organisation it needed to be in the future.

Members strongly agreed that the Council should give staff the opportunity to develop and grow.

- *Members asked for statistical information on the number of staff in training, the type of training they were taking, the cost of the training and the outcomes and benefits of the training.*

Ms Titley explained that there would be statistical information included in the quarterly performance report produced by the Policy and Performance Manager. She added that the training was focussed on career development and Skills for Life. She outlined some of the NVQs and training that was being undertaking across the authority and added that the Council wanted to encourage staff to move on in the Council. She confirmed that the training was relevant to current or future jobs and gave staff the opportunity to step up internally. She explained that job descriptions would also need to be looked at within the authority to ensure qualifications required were still relevant and appropriate. She added that she hoped apprenticeship

schemes could be introduced to the authority in the future to assist in workforce planning.

- *Members supported the idea of apprenticeship schemes and felt that the Council should be providing opportunities for young people where possible.*
- *Members were concerned that about the cost of training senior staff at postgraduate and MBA level the implications of the training on their work time. Was it linked to career progression?*

Dr Gooding reassured the Panel that there was strict control over the training that could be undertaken and in some cases training had been refused. He agreed that there was always a degree of risk when training staff and the Council did try to manage the risk. He felt that the investment in staff was extremely important.

RESOLVED – 1) That the Organisational Development Plan 2011-2013 be supported;

2) That the statistical information on the number of staff in training, the type of training, the cost, the outcomes and benefits of training be circulated to Members.

ROSP.18/11 CORPORATE PERFORMANCE MONITORING UPDATE

The Policy and Performance Officer (Mr Oliver) submitted report PPP.05/11 which provided an update on the revised approach to performance reporting, links to the Corporate Plan and Team Appraisals.

Mr Oliver reminded the Panel of the changes to performance monitoring and how performance would focus on local measures and the Corporate Plan key objectives and outcomes for communities.

He explained that the Corporate Plan actions were developed in September 2010 from the Corporate Plan 2010-13 which had been agreed by full Council in May 2010. In addition to ongoing monitoring of the actions, an annual review of the actions would be undertaken from February to March to incorporate feedback from the corporate planning process to ensure the actions were delivering the Council's key priorities.

Mr Oliver explained how the Corporate Plan would be linked to the Directorate/Services Plans and the Team Appraisals. He outlined the time tables for the reviewing and refreshing of the Plan and for the end of year performance report.

He added that the Overview and Scrutiny Panels were asked to consider which Corporate Plan actions they would like to be reported in future performance reports, including the End of Year Performance report. He informed the Panel that, although the Place Survey had been abolished, the Council would still need to collect data about the perceptions and experiences of its customers. The Policy and Performance Team aimed to replace the Survey with an efficient, effective and economical survey focused on the distinctiveness of the district. The new survey

would provide service managers with insights into the responsiveness of their services and would strengthen the Council's knowledge of its communities and help prepare for a new set of community profiles once the Census 2011 data was released. Most importantly, the survey would make Members central to assessing the performance of the Council, an assessment based on Members' experiences and objective observations.

He explained that it was proposed that a baseline Members' survey would be undertaken in spring 2011 to feed into the End of Year Performance Report. Mr Oliver highlighted the initial question framework and proposed timetable for Members.

Mr Oliver reminded the Panel of the support for a self assessment approach following the abolition of the Audit Commission, Comprehensive Area Baseline/Organisation Assessment, Place Survey and National Indicator set. The self assessment would focus on district council services and functions, and avoid partnerships formed around themes over which the Council had little or no direct influence.

Mrs Edwards informed the Panel that the report had been considered by the Community Overview and Scrutiny Panel and they had resolved that the question framework for the Members' survey were not satisfactory and would the Policy and Performance Officer agreed to undertake further work on the questions which would then be discussed at the Member Workshop arranged which had been arranged for 16 March 2011.

Members discussed the scope of the Members Survey and the potential use of residents' referral forms and agreed that Members should be involved in the performance of the Council.

RESOLVED – 1) That the Corporate Performance Monitoring Update be welcomed;

2) That the Panel had concerns with regard to the proposed questions in the Members Survey and looked forward to discussing them at the workshop scheduled for 16 March 2011.

ROSP.19/11 REVENUE BUDGET OVERVIEW AND MONITORING REPORT

The Assistant Director (Resources) (Mr Mason) submitted the Revenue Budget Overview and Monitoring Report for April to December 2010 (RD.75/10). He outlined the overall budgetary position and the monitoring and control of expenditure against budget allocations, together with the exercise of virement on a regular basis. He further outlined details of balance sheet management issues, a number of high risk budgets, performance management and progress against the Comprehensive Spending Review 2007 efficiency statement.

The overall position, based on current projections, suggested that:

- the year end position was anticipated to be £626,200 under spent, of which likely carry forward requests of £572,100 had been identified;
- the net underspend available to repair the Council's depleted Revenue reserves was being estimated at £54,100;
- greater savings in 2010/11 on the Transformation initiative at £1.58m against the budget of £1m; and
- most of the Council's high risk income streams had been affected by the economic downturn and were falling short of their targets. With Car Parking and Land Charges currently performing better than their reduced expectations all areas continued to be closely monitored.

Mr Mason then highlighted and reported on a number of key issues, including the Salary Turnover Savings Budget. The main variances in the Directorates' budgets were also set out in the report.

The Executive had on 14 February considered the matter (EX.25/11) and decided:

"That the Executive:

1. Noted the budgetary performance position of the Council to December 2010; the potential forecast year end position for 2010/11; and planned efficiencies.
2. Approved the virement of £37,000 revenue underspends and additional income generated to the capital programme to be used as match funding for the purchase of a plastics and card vehicle.
3. Approved the virement of £42,200 from revenue underspends to the capital programme to be used to fund the purchase of replacement bins and boxes within the Waste Minimisation project."

In considering the report Members raised the following comments and questions:

- *The Lanes income was in the budget as a non recurring bid. Would it remain as non recurring item in the future?*

Mr Mason explained that if the income was moved to recurring and savings were made based on the loss of income, they may prove to be unnecessary if the income of the Lanes improved. He stated that there was no evidence to suggest that the income loss would be recurring and it had been planned for in the five year medium term financial plan.

- *Had the 12 months notice to all organisations which qualified for discretionary rate relief been given?*

Mr Mason informed the Panel that the pressure on the Discretionary Rate Relief budget had been known in 2010 and notice had been given to most charities in March 2010 taking them to March 2011. Mr Mason outlined the budget that had been made available for the discretionary rate relief.

RESOLVED – That the Revenue Budget Overview and Monitoring Report for the period April to December 2010 be welcomed.

ROSP.20/11 CAPITAL BUDGET OVERVIEW AND MONITORING REPORT

The Assistant Director (Resources) (Mr Mason) submitted Report RD.76/10 on the budgetary position of the City Council's capital programme for the period April to December 2010. He outlined for Members the overall budget position of the various Directorates and the financing of the 2010/11 Capital Programme, details of which were set out in the report.

He further commented upon performance against the 2010/11 programme, informing Members that the Senior Management Team would provide a strategic overview and monitor the effectiveness of the overall programme of work in delivering the Council's priorities and objectives. Technical project support and quality assurance of business cases and associated project management activities would be managed by a Project Assurance Group chaired by the Deputy Chief Executive. Decisions to proceed or otherwise with proposed projects would be made in the usual way in accordance with the Council's decision making framework.

In summary, Mr Mason said that a review of all capital expenditure incurred was ongoing to ensure that the expenditure had been correctly allocated between revenue and capital schemes. That work would facilitate the year end classification of assets.

The Executive had on 14 February considered the matter (EX.26/11) and decided:

“That the Executive:

1. Noted the budgetary position and performance aspects of the capital programme for the period April to December 2010.
2. Approved the virement of £6,300 from the DDA Accessibility Improvements Budget for use at the Resource Centre for DDA improvements.
3. Approved £37,000 from revenue underspends and additional income generated to be used as match funding for the purchase of a plastics and card vehicle.
4. Approved £42,200 from revenue underspends to be used to fund the purchase of replacement bins and boxes within the Waste Minimisation Project.”

Resolved – That the Capital Budget Overview and Monitoring Report for the period April to December 2010 be noted.

ROSP.21/11 TRANSFORMATION PROGRAMME

The Deputy Chief Executive and Strategic Director (Governance and Resources) (Dr Gooding) presented report RD.78/10 which updated Members on the overall authority wide savings delivered or proposed as part of the Transformation Programme.

Dr Gooding explained the appendices in the report and outlined the next steps for the authority. The Senior Management Team had planned an 'away day' in the Civic Centre to put together some proposals for further required savings and reminded the Panel that the next stage of savings were more difficult as they would have diminished returns. He added that the revenue return on the asset review had been built into the budget.

Dr Gooding explained that work needed to be carried out on investigating the options with regard to high spend statutory services. He added that Members may need to make difficult decisions on how high spend statutory services were delivered in order to protect discretionary services that defined the Council. He clarified that the Council did not have the scope to stop delivering the statutory services but there was options regarding the method of delivery and the standards to which the services were delivered.

In considering the report Members raised the following comments and questions:

- *Members highlighted the importance of retaining staff that had the ability to understand the financial situation and the future of the Council.*

Dr Gooding reassured the Panel that the expertise within the authority was very highly valued and Senior Management Team worked hard to protect that expertise. He confirmed that it had been difficult, in the current climate, to persuade key members of staff that their future lay with the Council but the Council were fortunate to have exceptional technical staff.

- *Would the Panel receive feedback from the Senior Management Team away day?*

Dr Gooding explained that the away day was the first step in the process to ensure that the Senior Management Team understood the challenge and remained corporate. The proposals that came from the away day would be discussed with the Executive and any decisions would then go through the usual committee process.

Resolved – 1) That the Panel were concerned that the skill base to deal with the changes within the authority were retained during the Transformation Process;

2) That the Panel looked forward to receiving the outcomes of the Senior Management Team 'away day'.

(The meeting ended at 1.00pm)