

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

THURSDAY 14 OCTOBER 2004 AT 2.00 PM

PRESENT: Councillor Guest (Chairman), Councillors Glover, Jefferson, Joscelyne, Mrs Prest and Ms Quilter

CROS.143/04 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Mrs Bradley and Mrs Styth.

CROS.144/04 DECLARATIONS OF INTEREST

Councillors Mrs Prest and Ms Quilter declared personal interests in accordance with the Council's Code of Conduct in respect of Agenda item A.4 – Budget Overview and Monitoring Report – April to July 2004. Councillor Mrs Prest stated that she served on the Board of Carlisle Housing Association and Councillor Ms Quilter stated that she was an employee of the Association.

CROS.145/04 MINUTES OF PREVIOUS MEETINGS

The Minutes of the meetings held on 22 July, 3 and 4 August, and 2 September 2004 were agreed as a correct record of the meetings and signed by the Chairman.

CROS.146/04 CALL-IN OF DECISIONS

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

CROS.147/04 WORK PROGRAMME

The Overview and Scrutiny Manager presented the work programme for 2004/05 and highlighted the following matters –

- (a) Use of Consultants Value for Money Study – the responsible Officer had been called to undertake Jury Duty as a consequence of which that item had been deferred.
- (b) Special sessions – 4 November 2004 – arrangements for the day were :
 - 11.00 am – Training Session on Risk Management;
 - 2.00 pm – a short formal meeting to consider the Statement of Auditing Standards (SAS 610) report from the Audit Commission; and

on the rise of the above, a workshop session to progress the Strategic Review of Assets. A letter detailing arrangements and Agenda for the formal meeting would be distributed in due course.

- (c) Development of Overview and Scrutiny – further to the decision taken by the Overview and Scrutiny Management Committee (OSM.42/04 refers), Dr Stephanie Snape of Warwick Business School would be observing the Committee at its meeting on 25 November 2004.
- (d) Gershon Report and Prudential Code – as requested, the Head of Finance would include further information on the impact of the Government's spending review (including efficiency savings) as reports on the Budget came forward.

A Member stated that he had obtained a copy of the Gershon Report and expressed alarm at some of the content. He was particularly concerned at the timetabling implications for the Council's Budget process and suggested that a senior Officer could attend one of the number of briefings being held around the country on the matter.

In response, Dr Gooding (Executive Director) advised that he personally would be attending an event in December on the consequences of the review and how it needed to be applied in Local Government. In December details of the Council's three year settlement should be forthcoming, built into which would be an adjustment to reflect efficiency savings required to be made.

Officers had already undertaken some work on the identification of efficiency savings as required by the Gershon Report. The main message emanating therefrom was that investment required to be made in front line services, rather than central departments.

Dr Gooding would come back with further information in December. He added that Ms Mooney, acting Town Clerk and Chief Executive, was currently attending the Solace Conference where there had been considerable discussion on the matter.

The Chairman indicated that all Members of the Committee required sight of the Gershon Report and asked that the Head of Finance inform Members of its implications, as a matter of urgency, so that they could scrutinise the Budget effectively.

Mr Mallinson undertook to provide Members with copies of the Gershon Report as requested.

RESOLVED – (1) That the work programme be noted.

(2) That the Overview and Scrutiny Manager provide the Committee with copies of the Gershon Report.

(3) That the Head of Finance be requested to report on the implications for the City Council of the Government's spending review immediately that information was forthcoming.

CROS.148/04 MONITORING OF FORWARD PLAN ITEMS RELEVANT TO THIS COMMITTEE

The Overview and Scrutiny Manager presented report LDS.44/04 highlighting issues within the ambit of this Committee included within the Forward Plan of Executive Decisions for the period 1 October 2004 to 31 January 2005.

Mr Mallinson then explained the current status of each item.

RESOLVED – That the report be noted.

CROS.149/04 BUDGET OVERVIEW AND MONITORING REPORT – APRIL TO JULY 2004

Councillor Mrs Prest, having declared a personal interest, remained within the meeting room and took part in the discussion on this item of business.

Councillor Ms Quilter, having declared a personal interest, remained within the meeting room, taking no part in discussions on the matter.

The Accountancy Services Manager presented report FS.24/04 providing an overview of the budgetary position for April to July 2004, summarising the main changes to the budgets between approval in February 2004 and the Council meeting on 3 August 2004 for both the General Fund Revenue and Capital Budgets. Summary monitoring information for April to July 2004 in respect of all Business Units was also provided.

The report had been considered by the Executive on 13 September 2004 and a copy of Minute Excerpt EX.190/04 had also been circulated.

In considering the report, Members raised the following issues, to which Mrs Taylor responded –

1. *Were the new accounting systems working better?*

Yes, information was more accessible, although there were still improvements to be made.

2. *Referring to the figures detailed in the analysis of main variances, it did not appear that budget profiling was actually working? That should be looked at as a matter of urgency.*

It was not possible to undertake that as a one-off exercise. It needed to be reviewed and improvements made as part of the ongoing Budget process.

3. *The net position on Treasury Management was an underspend of £94,820. That related to a reduction in interest payable due to the repayment of long-term debt, which should have been planned for.*

A rescheduling of debt had been undertaken in June and was done as part of the Budget process.

4. *Could trends be identified from the increased Development Control (£80,048) and Building Control (£28,834) income identified in the report?*

Analysis and details of any trends would be forthcoming as part of the Charging Reports to Committee.

5. *Was the additional DEFRA grant awarded to the Council of £39,153 as part of the Recycling and Waste Minimisation Scheme ring-fenced?*

No, it was given to the Council as part of a national scheme and had not yet been spent.

6. *The report referred to additional income/underspends from staff vacancies over and above current projections of £98,976. Was that due to posts not being filled and what had been the impact upon service delivery?*

A host of reasons would have attributed to that figure which could be assessed and further information provided to Members. Any impact on service delivery would be picked up.

7. *Could lessons be learnt from the reduced income on Car Parking charges of £42,573?*

You would have to speak to the Head of Commercial and Technical Services in that regard.

Members then asked that the Head of Commercial and Technical Services provide a written response.

8. *A Best Value Review and Charging Review had been undertaken the previous year on the Crematorium. Crematorium and Cemeteries income showed a shortfall of £36,778 to date against current projections. In future the reasons for such shortfalls should be included within the report.*

9. *The CTS operating position showed a deficit of £100,000 as at the end of July. That related predominantly to the Grounds Maintenance Contract due to a reduction in the value of work from Carlisle Housing Association (CHA).*

Rumour had it that CHA would put the contract out to tender in April with potentially devastating effects on Commercial and Technical Services' financial stability and staff.

Two Castles Housing Association could maintain grass cutting three times per year, so why couldn't CHA? We should question that.

It was all linked to the receipts from rights to buy and CHA would expect the Council to pick up some of the works. Members were concerned to ensure that the City Council did not set its Budget in February only to find that it did not win the contract.

Was Commercial and Technical Services actively exploring other commercial opportunities?

The Grounds Maintenance Contract was up for renewal. The Head of Commercial and Technical Services was undertaking a review which would be submitted to the next meeting of the Executive and there was a need to pick up the wider issues.

The Overview and Scrutiny Manager advised that the Community Overview and Scrutiny Committee undertook monitoring of the CHA Contract and suggested that Members' comments and concerns could be referred to that Committee who could take them on board in their scrutiny of the matter. That course of action was agreed.

Dr Gooding, Executive Director, added that clearly it was a matter of concern, but the draft Budget figures included figures supplied by Commercial and Technical Services so Officers were aware of the problem. The Unit was exploring alternative commercial opportunities.

RESOLVED – (1) That, subject to the above issues raised by Members, the overall budgetary position for the period April – July 2004 be noted.

(2) That the Community Overview and Scrutiny Committee be requested to take on board the comments and concerns of this Committee as regards the Grounds Maintenance Contract (detailed at 9. above) in their scrutiny of the Carlisle Housing Association contract.

(3) That the Head of Commercial and Technical Services be requested to provide a written response on the issue of reduced car parking charges (point 7. above refers).

CROS.150/04 BROADBAND FOR MEMBERS

The Head of Customer and Information Services presented report CIS.02/04 examining the issues surrounding the provision of a broadband service to Members.

Mr Nutley indicated that clearly the introduction of broadband would improve the current on-line service offered to Members. It was likely to result in greater Member take up and would move the Council towards a situation

where business was more likely to be conducted electronically with all the advantages that would bring.

However, because of current coverage, the provision of broadband would result in a two tier service for Members, with those in broadband enabled areas being able to take advantage of the service, whilst others would be restricted to dial-up modem access. Additionally, in both cases the costs would be greater than currently budgeted for, with any proposal to proceed requiring to form part of a new Budget bid.

Mr Nutley explained that there were two distinct approaches which could be taken -

Approach 1 – would involve setting Members up as part of an extended Council network, whereby they could access all Council services as though they were in the Civic Centre. Members would be connected by broadband and, although the speed would be less than a Civic Centre connection, it would be considerably better than the current dial-up service.

The business benefits were that, as part of a centrally managed network service, administration and development would be easier with Members having the same access to services as staff.

However, for a number of technical reasons (details of which were provided), the introduction of such a service would pose security risks to the Council's network. The extent of those risks was of such significance that that method of connection for Members could not be recommended.

The cost of connecting Members to the corporate network using broadband in that scenario was £17,500 with an annual revenue cost of £13,480. However, because that service was 'always on' the cost would be offset by the reduction in usage cost of the dial-up modem service. Those were estimated at £1,080 p.a., resulting in a net revenue cost of £12,400.

Approach 2 – would involve the provision of broadband to Members without direct connection to the Council's network, i.e. connection to the Internet only.

That approach also involved risks, the chief risk being that the PCs would be outside the control of the Council, with any central corporate checks and measures employed by the Council to protect both the equipment and the user no longer being available.

The cost of that solution would be £2,500 with an annual revenue cost of £12,480. However, because that service was 'always on' that cost would be offset by the reduction in usage cost of the dial-up modem service. Those were estimated at £1,080 p.a., resulting in a net revenue cost of £11,400.

The matter had been considered by the Executive on 13 September 2004 when it had been decided –

1. That connecting Members to the Council's network via broadband be not progressed.
2. That the Head of Customer and Information Services be requested to conduct a pilot scheme to provide broadband access to the internet, where practicable, for Executive Members, Leaders of the Political Groups and Chairmen of Overview and Scrutiny Committees.
3. That the Head of Customer and Information Services be requested to submit a report to a future meeting of the Executive with an evaluation of the pilot scheme.

In response to questions Mr Nutley advised that, although downloading documentation would not be instantaneous under the pilot scheme, it would be ten times faster than at present. There would also be the capacity to take voice traffic at the same time and therefore Members' telephone lines would not be tied up when downloading information. If an outside supplier was used then subscription costs would be payable. The proposed pilot would run for a period of six months.

Referring to approach 2, a Member asked whether access to public folders and part B reports could not be password protected. Mr Nutley indicated that it would be in future, but that there would be limitations. Ideally a planned upgrade over time was required to avoid further disappointment in the future.

A Member commented that the Council needed to decide whether it wanted an efficient system or not and, if so, then they would have to pay for it.

A Member expressed concern on behalf of back bench Members of the City Council. The proposed pilot would exclude certain Members who made great use of their computers and needed a better service to fulfil their constituency roles. He questioned why the pilot was restricted as detailed above.

Mr Nutley responded that the principle had been adopted when IT was first introduced to Members to ensure that the proposed service was correct before it was rolled out to the remainder of the authority. Members who were part of the pilot would report back and be champions to others.

A Member then suggested that the various Political Groups be approached to nominate a number of Members to take part in the pilot, based on proportionality and those Members who would be best placed to assess the effectiveness of the system.

RESOLVED – That this Committee supports the proposal that a pilot scheme to provide broadband access to the internet be undertaken, but would request that the Executive give further consideration to which Members would be best placed to assess the effectiveness of the system.

CROS.151/04 CUSTOMER CONTACT CENTRE DEVELOPMENT

Dr Gooding, Executive Director, submitted report CE.31/04 concerning the development of the Customer Contact Centre.

Details of the current situation and development since the last report to the Committee in the areas of project management, accommodation, IT and telephony infrastructure, software, mandofoms and change management were provided.

Dr Gooding then updated Members on developments following preparation of his report –

1. Overall the project was proceeding fairly well. There had been a number of difficulties, none of which were insoluble, and the 4 November 'go live' date still stood. That date had not, however, been publicised and the intention was that the Customer Contact Centre should open to the public the week commencing 15 November 2004. Importantly that would allow staff one week to familiarise themselves with the new systems and to ensure they were comfortable before going public. There would be subsequent developments in the Centre as it became further integrated with back office systems, etc.
2. There had been some delay in appointing staff due to negotiations with Business Units, but that was now resolved.
3. Delays with Capita's development of interfaces with back office systems had also occurred but agreement had been reached on how those would be addressed.
4. An additional payment of £6,000 would require to be made to Capita in respect of training and Dr Gooding would formally report that to the Committee, in writing, at their next meeting.
5. The Head of Customer and Information Services would be arranging an open day for Members so that they could visit the centre and let him have any comments.

As regards staffing the Head of Customer and Information Services advised that the Unions had been very helpful and a full structure was now in place. A great deal of emphasis had been placed on the area of staff development and staff were being trained in the main systems and issues such as team building. He was particularly happy to have a week to enable staff to settle in and was sure they would be pleased to see Members there.

Ms Mitchell, Programme Manager, commented that development of the Centre demonstrated an excellent example of corporate working with all Business Units having contributed to the project to date.

Members were requested to scrutinise the Project Plan and comment upon the performance management criteria to be used in the Customer Contact Centre, copies of which were appended to the report.

In considering the matter, Members raised the following questions and comments to which the Officers responded –

- (a) *Accommodation – what were the consequences of the delay in building work?*

It had been anticipated that accommodation would be available in August well in advance of the opening date. A delay had occurred but it had not impacted on the opening date.

- (b) *IT and Telephone Infrastructure – a new server may be required to host the Capita Knowledge management software. Would that be provided at no extra cost to the Council?*

Capita Knowledge would be available to staff from the 'go live' date and it was considered beneficial if it were also available to the public (in line with the Council's e-government requirement). For security reasons a new server was required, the cost of which would be met by the Council.

- (c) *Software – the report stated that the additional costs to be incurred would be met from existing Budgets (for example existing IEG grant). How would that effect existing services provided from those Budgets? Also if actual figures were unknown how did Officers know that they could be accommodated from those Budgets?*

The IEG grant had been given for that purpose and it was therefore totally appropriate for the server cost to be met from that Budget. As regards interfaces with back office systems then Officers would do what they could within the resources available.

A Member asked that, in future, such Budgets should be clearly identified in order that the Committee could consider any impact.

- (d) *Human Resources – was training not included as part of the overall project and was the figure of £6,000 a one-off or was it ongoing?*

IT training had been included at a fixed price for the contract. The figure of £6,000 related to a one-off particular piece of training that could be provided by Capita, and was considered to be good value. Officers also considered the use of local suppliers and in-house training providers.

- (e) *Was training also being provided in the areas of team working and customer care?*

An extensive training programme was being developed, much of which revolved around the softer skills.

- (f) *Knowledge and Information Management – what was the current position as regards data protection and had the possibility of information sharing between Business Units been considered?*

The Council's Information Officer was investigating the issues surrounding data protection and freedom of information.

(g) *Workflow Handoffs – was there not other more user friendly terminology which could have been used?*

The Customer Contact Centre – Performance Management Principles documentation had been produced by Capita.

(h) *Would it be a seamless switch over to the Customer Contact Centre?*

Customer Services did not currently have customer relationship management and therefore it would be a 'big bang' approach. Practically, customers would see the foyer closing down and be diverted into the new Centre.

(i) *Had the communications problems with Capita, as detailed in section 2 of the report, been rectified?*

Dr Gooding updated Members on the current position following a meeting with Capita that morning, the outcome of which was that the issues had been rectified as far as possible. He added that Mr Nutley and Ms Mitchell had worked extremely hard on the way forward.

The Chairman then made reference to the sample advert for the Contact Centre appended to the report, which had been reproduced in black and white rather than in colour. He stated that black and white was not acceptable, the Council had the facilities to produce documentation in colour and those should be utilised in the production of reports.

The Overview and Scrutiny Manager suggested that a protocol governing the production of colour copies may be required.

RESOLVED – (1) That, subject to comments made by Members as outlined above, progress made on the Customer Contact Centre be noted.

(2) That in future reports to Committee should be reproduced as compiled by the authors. In particular coloured documentation should be reproduced in colour and not black and white.

[The meeting ended at 3.40 pm]