

# **OUTSOURCED SERVICES SCRUTINY PANEL**

**6 JULY 2015**

Present: Councillor K Crout (Chair)  
Councillors J Dhindsa, A Joynes, S Silver, S Williams, K Collett  
and A Rindl

Officers: Partnerships and Performance Section Head  
Committee and Scrutiny Officer (IM)

## **1 APOLOGIES FOR ABSENCE/COMMITTEE MEMBERSHIP**

There were two changes of membership for this meeting: Councillor Collett replaced Councillor Counter and Councillor Rindl replaced Councillor Martins.

## **2 DISCLOSURES OF INTEREST**

There were no disclosures of interest.

## **3 MINUTES**

The minutes of the meeting held on 12 February 2015 were submitted and signed.

## **4 WORK PROGRAMME**

The Panel received a draft work programme for consideration which outlined the proposed content of the meetings scheduled for the year.

The Committee and Scrutiny Support Officer introduced the report and asked the Panel to consider the proposed dates and discussion items. The Committee noted the deletion of two items on the work programme: the election of the Chair on 6 July 2015; and a review of the work programme on 19 October 2015.

Members were concerned that discussion of the ICT contract was not scheduled to take place until 24 February 2016. Councillor Dhindsa commented that the performance of the contract to date had been poor, with many promises and commitments not met. The Panel had hoped for some clarification on a number of action points and it was disappointing that this information was not available for the meeting. Councillor Crout advised that a report was awaited from the ICT Client Section Head. This would be circulated to Panel members as soon as it became available.

Councillor Joynes questioned what arrangements were in place to commission a new contract should there be a decision not to renew the contract with Capita. Competent and qualified staff were vital to securing a sound ICT contract to meet current and future needs. Councillor Crout commented that he had been closely involved with officers in the appointment of HQ Theatres and Veolia. Many of these individuals were still in post and had considerable expertise in the commissioning of contracts.

The Partnerships and Performance Section Head added that in terms of the Capita contract external advisers having been brought in to support the development of the contract. In addition, the client team overseeing the ICT contract had been strengthened and there was significant skills and experience within the team.

Councillor Williams added his concerns to the late consideration of the ICT contract in the work programme. Moreover, he suggested quarterly updates to the Panel on the agreed service level agreements to highlight in good time when and if problems arose. Reporting should include the Council's progress on ICT investment, where significant modernisation was required.

Councillor Silver reported that the issue of ICT had been raised at the Audit Committee on 30 June. At this meeting, Members had been advised that senior officers would make a decision on Capita's progress at the end of July.

The Chair added his concerns about the Capita contract and underlined the detrimental impact on officers and members of staff. Concluding the discussion on the timing of the ICT contract in the 2015/16 work programme, he suggested that it be added to the agenda on 19 October 2015. He noted that this would make a full agenda, alongside consideration of HQ Theatres, however the Panel agreed that both were important issues and should be considered at this meeting. It was further agreed to keep the ICT contract on the agenda for 24 February 2016 in order to receive an update on progress.

As a point of clarification, the Chair reminded the Panel that its purpose was to hold the Mayor and the Portfolio Holders to account, as well as to examine the performance of the service providers. Therefore, in addition to inviting the full client team to attend meetings on any given area, the Panel could invite the Mayor and relevant Portfolio Holders to its meetings.

On a separate issue, Councillor Rindl questioned the inclusion of Human Resources performance measures in the report to Panel, in addition to external bodies such as Veolia, SLM and HQ Theatres, in the OSSP's scrutiny remit. The Partnerships and Performance Section Head said that the decision had been taken to scrutinise Human Resources for which WBC was the lead authority. However an argument could be made for it to be included in the work programme of the Overview and Scrutiny Committee as it is not 'outsourced' or delivered by an external provider.

**ACTION:** Partnerships and Performance Section Head

- To clarify what arrangements were in place to commission a new contract should there be a decision not to renew the Capita contract.

ACTION: Committee and Scrutiny Support Officer

- To circulate the update report from the ICT Client Section Head as soon as this became available.

RESOLVED –

1. that an additional discussion of the ICT contract take place on 19 October 2015
2. that the work programme be approved.

## 5 **CONCLUSIONS AND RECOMMENDATIONS**

It was agreed to remove this item, following significant discussions on the work programme under the previous agenda item.

## 6 **PERFORMANCE REPORT (QUARTER 4 2014/15)**

The Partnerships and Performance Section Head introduced the Performance Report for quarter 4 2014/15. She reported that Watford Borough Council collected and monitored performance data for a wide range of service areas. This included a significant number of key performance indicators for services that had been outsourced to external providers. The data for this meeting had been obtained from the providers of the Council's externalised services and focussed on performance information for quarter 4 2014/15.

Explaining the measures, the Partnerships and Performance Section Head reported that a number of measures were new for 2014/15, which meant that it was not possible to undertake trend analysis in every case. She invited comments on the performance indicators, as well as any suggestions for amendments or additions that would assist the Panel in its scrutiny role.

Councillor Dhindsa sought clarification on the target for residential household waste (ES1). The Partnerships and Performance Section Head explained that the variance, although higher than for quarter 3 and quarter 4 last year, showed an overall improvement for the year on 2013/14. This reverse trend from target was, in part, the result of higher Christmas consumption, since a waste amnesty was declared over this period and that would still impact in quarter 4. She brought the Panel's attention to the fact that the definition for the indicator had been changed by the government to exclude street sweepings and would therefore be reported under the new definition from 2015/16.

Councillor Dhindsa questioned whether high street food waste was reused to generate power. Precedents had been set, for example in chip oil recycling, and he queried whether a similar use could be found for high street food waste. The Partnerships and Performance Section Head agreed to investigate this issue.

In a supplementary question, Councillor Dhindsa asked what hotels did with their waste, that is, did they recycle or reuse it or did it go straight to landfill? The Partnerships and Performance Section Head said that she would look into this question.

Councillor Williams queried whether the indicators kept pace with local population changes. This was a significant issue in parts of the Borough where there had been large housing developments. The Partnerships and Performance Section Head reported councils received an annual update figure on population from central government and council tax provided an update on household numbers. Previously this had been in June and 31 March respectively each year and she would check to see if there had been any change in this arrangement.

Councillor Rindl asked whether targets were adjusted if they appeared unachievable. The Partnerships and Performance Section Head advised that this was not the case and that the targets were carefully chosen to be reasonable and achievable. Sometimes a change in leadership provided the impetus to attain targets, as had been seen in Revenue and Benefits. Councillor Rindl encouraged the council to work at the recycling and reuse targets, which were proving particularly challenging in flats and houses in multiple occupation (HMOs).

In response to Councillor Dhindsa's question on data sources, the Partnerships and Performance Section Head explained that targets had previously been set using national data, but this regime was no longer in place. New benchmarking data was required and the council looked for alternative comparisons, for example against neighbouring authorities. In addition, there was a role for the Panel to suggest targets that might be used.

Councillor Joynes raised the issue of fly-tipping in regard to street cleansing. The Partnerships and Performance Section Head explained that street cleansing was an area on which it was difficult to find comparative and benchmarking data. In terms of the indicator, streets were classified and surveyed on a rolling basis. Councillor Dhindsa asked whether it was possible to provide more street by street detail on the figures contained in ES9. The Partnerships and Performance Section Head agreed to examine whether this could be done.

On the general issue of fly-tipping, the Chair asked whether it would be possible to report more detailed information on the situation. The Partnerships and Performance Section Head commented that initial complaints were handled by Veolia as the service provider. Where they became escalated, the council would become involved.

Councillors Dhindsa and Joynes raised the problem of fly-tipping in their wards. Recent prosecutions were felt to be an important deterrent to would-be fly-tippers, but it was suggested that the council might also publicise the cost to the tax payer of removing items which had been dumped illegally. Councillor Joynes questioned the removal times once a case of fly-tipping had been reported. The

Partnerships and Performance Section Head agreed to investigate what additional information could be provided on fly-tipping, including costs to the tax payer and removal response times.

Councillor Dhindsa further commented that dog-fouling had become problematic in the Liverpool Road and St James' Road area. This was felt to have been exacerbated by the removal of a public waste bin. He questioned why it had been decided to remove the bin. The Partnerships and Performance Section Head agreed to speak to Veolia about the decision.

Several Councillors raised concerns about the impact on traffic flows during the early morning rush-hour as a consequence of refuse collections along some of the Borough's major roads. The Partnerships and Performance Section Head agreed to raise Councillors' concerns with the client team and to seek clarification about the timings of collections along key roads.

Looking at the leisure centre data, Councillor Dhindsa queried the membership figures and in particular the BME (Black Minority Ethnic) data in LC5. The Partnerships and Performance Section Head said that in the last Census which took place in 2011, 38% of the Watford population were non 'White British'. Councillor Silver commented that the data for women and girls percentage was incorrect. The Partnerships and Performance Section Head agreed to amend. Councillor Collett suggested that some clarification was required and the Partnerships and Performance Section Head agreed to take this up with SLM. In addition, she would ascertain if any comparative data was available from other gyms or national benchmarking statistics. She observed, however, that some data, for example concerning people with a disability, could become distorted if people did not wish to declare.

Councillor Joynes questioned what steps were being taken to encourage 14 – 25 year olds to participate in sporting activities at the leisure centres, for example through providing taster sessions and by keeping prices for younger people down. Councillor Collett agreed and stated that this issue should be raised at the Panel's meeting on 19 January 2016 when SLM and the leisure centres were the main item on the agenda.

The Partnerships and Performance Section Head reported that the number of complaints at the two leisure centres were broadly comparable, but as the throughput was different, there should, proportionately, be fewer from Central Leisure Centre. One issue at Central, skin irritation arising out of pool use (LC6), required some further questioning, and she agreed to raise the complaint with SLM to ensure it was rectified.

In regard to the HQ Theatres' advice to employ experienced sound technicians, Councillor Joynes questioned whether it had been suggested that they might contact Watford Palace Theatre who had experienced staff in this area. On the question of community hires, Councillor Dhindsa asked for information on advertising and which community groups had used the venue. Previously a number of free, community events had been held at the Colosseum. These appeared to have tailed off. The Partnerships and Performance Section Head

agreed to check the advertising policy and uptake by community groups. In addition, she would query the availability of free community events.

Councillor Williams expressed concern about the helpdesk resolution data under item IT2. The Partnerships and Performance Section Head explained that the figures covered a wide range of issues, from the simple to the very complex. Problems were categorised and prioritised using a matrix. She agreed to provide the Panel with a more detailed breakdown of the information.

The Partnerships and Performance Section Head drew the Panel's attention to the improved sickness record (HR1), which was now one of the best in the Eastern region. In addition, there had been a marked improvement in processing times in Revenues and Benefits (RB1, RB2) against national benchmarking indicators. As a consequence there had been a noticeable fall in complaints.

**ACTION: Partnerships and Performance Section Head**

- To investigate with the client team whether high street food waste could be reused to generate power.
- To ascertain from the client team whether hotels recycled or reused their waste or sent it straight to landfill.
- To check the data used by government to update local population figures as well as local household figures
- To investigate with the client team whether more street by street detail could be provided on the figures contained in ES9.
- To examine what additional information could be provided on fly-tipping, including costs to the tax payer and removal response times once a case of fly-tipping had been reported.
- To explore why Veolia had removed a rubbish bin from the Liverpool Road/St James Road area and to highlight the apparent negative impact this had had on dog fouling.
- To raise concerns with the client team about the impact on traffic flows of refuse collections during the early morning rush hour.
- To seek clarification of the BME and women/girls membership data for Watford Woodside with the client team for the SLM contract. In addition to seek out comparative data from other gyms or national benchmarking statistics.
- To question the client team for SLM about skin irritation complaints by users of Watford Central swimming pool.
- To check the advertising policy and uptake by community groups of HQ Theatres. Also to query availability of free, community events.
- To ask the client team to provide a more detailed breakdown of the ICT helpdesk resolution information.

**RESOLVED –**

1. that the Panel notes the performance of the outsourced service indicators for quarter 4 2014/15

2. that the Panel's requests for additional information be noted.

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## **UPDATE ON ACTIONS**

The Panel received an update on different actions which had arisen from previous meetings.

The main area of discussion was item ICT7 concerning payments by Capita to its employees. In particular, the Panel wanted to establish whether these were above the living wage. Councillor Joynes stated that commercial confidentiality did not provide suitable grounds for failing to give this information to the Panel. Councillor Dhindsa agreed, adding that all agencies working for the Council should be required to demonstrate that they paid a living wage to their workers.

The Chair suggested that it could be argued that a requirement to pay the living wage would increase the price of contracts. Councillor Williams commented that many IT contractors were self-employed and, as such, set their own rates of pay. These were likely to be in excess of the living wage. Councillor Silver added that the comments against item ICT7 suggested Capita employees were being paid above the living wage. In addition, some thought would need to be given to an appropriate wage rate, since different figures were used for inner and outer London.

Councillor Dhindsa expressed concern that a main contractor might charge the Council one rate, but pay its employers a lower one. He felt that Council policy should be to respect living wage rates. Councillor Rindl agreed with this statement and suggested that this should be a core Council policy.

Seeking to resolve the issue, the Chair agreed to consider how Members' views on implementing a living wage policy could be taken forward. At its simplest, service providers who came to the Panel's meetings could be asked if they paid the living wage to their employees and, if not, why not. At another level, it was Cabinet who approved contracts and therefore set contractual standards. Some pressure might be exerted here. The Chair agreed to report back to the Panel.

**ACTION: OSSP Chair**

- To report to the Panel on Council policy and practice regarding paying a living wage to its employees and its contractors' employees.

**RESOLVED –**

1. that the Panel's request for information on the Council's policy and practice in regard to the living wage be noted
2. that the update on actions be noted.

Chair

The Meeting started at 7.00 pm  
and finished at 8.20 pm