

## **OUTSOURCED SERVICES SCRUTINY PANEL**

**7 July 2016**

Present: Councillor T Williams (Chair)  
Councillor A Rindl (Vice-Chair)  
Councillors S Cavinder, J Dhindsa, A Joynes and P Kent

Also present: Councillor M Watkin (Portfolio Holder)

Officers: Corporate Procurement Manager  
Partnerships and Performance Section Head  
Committee and Scrutiny Support Officer

### **1 Work programme**

The Chair introduced the draft work programme for 2016/17. He explained the rationale for the content and the methodology in its preparation. He advised members that issues relating to the community centres were monitored by the OSC. In response to a question about rough sleepers, the Chair advised members that this matter was also monitored by the OSC. Members debated the proposed programme agreeing that it was appropriate.

RESOLVED that:

the Panel agreed the work programme.

Panel

The meeting started at 7.00 p.m.  
and finished at 8.45 p.m.

Chair  
Outsourced Services Scrutiny

### **2 Apologies for Absence/ Committee membership**

Apologies were received from Councillor K Hastrick.

### 3 **Disclosures of interest**

There were no disclosures of interest.

### 4 **Minutes**

The minutes of the meeting held on 24 February 2016 were submitted and signed.

### 5 **Introduction to Procurement at Watford Borough Council**

The Corporate Procurement Manager introduced the report and provided an overview of his role at Watford Borough Council and of his background.

He gave a presentation to members on 'Procurement and Contacts' covering the following areas:

- An overview of approach to procurement.
- Governance 'Contract Procedure Rules'.
- Procurement process one – the specification stage.
- Procurement process two – the tender procedure.
- Relevant statistics.
- Procurement performance indicators.
- Savings made in 2015/16.
- Social value in relation to procurement.

The Panel held discussions on the various subject areas during the presentation and the Corporate Procurement Manager responded to member's questions.

In relation to the specification of contracts, the Chair discussed the Watford Borough Council information technology (IT) changes and the related Transfer of Undertaking (Protection of Employment) Regulations (TUPE). He inquired how well officers developed specifications. The Corporate Procurement Manager explained that this could be variable; and his role was to support, advise, guide and challenge - and he was keen that specifications were flexible enough to accommodate service changes.

He discussed the renewal of the new leisure contract and how a lead in time to 2018 would assist in the contract development process. The Partnerships and

Performance Section Head confirmed that TUPE applied to a number of Capita staff who had now been transferred to the Council.

In response to a question about quality assuring specifications, the Corporate Procurement Manager explained that he looked through all of the information but would not necessarily have the background knowledge to comment on all technical aspects (depending on the service area) but he would challenge where necessary. However, there was significant expertise in the authority by those drawing up the specifications; and consultants would be employed, where appropriate, bringing specialist knowledge. He outlined which contracts would go to Cabinet for approval.

Members discussed the importance of specifications in the contract development process and how the TUPE procedure had been managed; with the Corporate Procurement Manager explaining about the successful transfer of staff to Veolia a number of years ago. The Panel asked who was involved in preparing specifications (such as trade unions), what were the safeguards, how did monitoring take place and how value for money was achieved.

The Corporate Procurement Manager clarified that TUPE matters involved Human Resources and the Legal Services team and that appropriate processes were followed. He explained that a specification became the 'yardstick' against which a contractor would be measured. He gave examples of future specification changes with service providers to demonstrate the importance of the specifications. He outlined how equipment and hardware were protected under the Veolia and IT contracts to show how the interests of the Council were safeguarded.

Councillor Watkin provided an example of the successful 'First Care' contract relating to the recording of sickness by an outside provider. This was now being utilised by other organisations that were making use of the framework agreement. The Corporate Procurement Manager explained that positive feedback had been received from staff on the system – which was nurse led and with advice provided first hand. The procedure was intended to support staff and to drive down levels of sickness; and the Council would receive some income from the contract. The Panel asked that the Human Resources Manager provide a briefing paper on the benefits of the system.

In response to further questions from the Panel, the Corporate Procurement Manager:

- Explained the roles of the companies engaged in the largest contracts with the Council.

- Confirmed that action was taken to reduce the number of suppliers utilised to reduce costs. However, balance was needed in this respect as working with local firms was good practice and spreading contracts over a number of companies would assist small and medium sized businesses and the local economy.
- Explained how new companies were encouraged to bid for contracts and how competition was ensured. He outlined the methodologies used in communicating with businesses and asked that members give his contact details to any emerging companies.
- Provided information on the payment of the minimum wage and the use of prompt payment requirements in contracts. However, care had to be taken not to put in elements that could disadvantage providers. He explained how quality standards could be included (such as in the use of certain materials) and the link to social value.

Members discussed the payment of the living wage for employees in relation to the major contracts with the Council and considered this an important issue. The Panel requested contract managers to provide information on this matter in relation to the Veolia, Amicus and Indigo contracts.

The Panel raised issues in relation to the new IT contract with Amicus. The Corporate Procurement Manager explained how the desk support service would now be provided in house. Councillor Watkin clarified that Amicus did not employ staff on a weekly basis and outlined how the company worked successfully with a range of clients.

In response to a question about the use of fair trade agreements and whether the use of organic products and re-cycling formed part of contracts; the Corporate Procurement Manager explained that various matters were considered in the awarding of contracts and not simply issues relating to the lowest price. It was important to ensure the right quality at the right price – the lowest bidder was not always preferred. He gave an example of the use of re-cycled products across the Council.

Councillor Watkin complimented the Corporate Procurement Manager on his work with Three Rivers District Council that had resulted in the development of joint working arrangements and remuneration to Watford Borough Council.

The Chair thanked the Corporate Procurement Manager for his contribution to the meeting.

RESOLVED that:

- the Panel requested the Human Resources Manager provide a briefing paper on the benefits of the First Care sickness reporting system.
- the Panel requested that contract managers provide information on whether the living wage was paid to staff employed on the Veolia, Amicus and Indigo contracts.
- the Panel note the report.

## 6

### **Performance Report (Quarter 4 2015/16)**

The Partnerships and Performance Section Head introduced the report. She explained that a quarterly set of indicators were prepared to help measure implementation of the corporate plan. She outlined how data was assembled for the Panel and how issues, such as housing, were monitored by the Overview and Scrutiny Committee (OSC). She advised that members could ask for further information on the various areas monitored to be included in the report; for example, new indicators. She highlighted that in the future there would be a greater emphasis on performance and bench marking – with the Council approaching organisations that benchmarked similar authorities.

She explained that the style of the report had been improved with the greater use of graphics (members were very complimentary about this approach). She outlined the reason that some indicators were achieved when at a low level; such as in the case of street cleansing (this was a complicated indicator with much analytical work in its preparation). She explained why indicators were not presently available for the IT contract and reassured the Panel that the situation would be improved when Amicus took over the contract.

The Partnerships and Performance Section Head responded to members questions.

In response to a question about the setting of targets, she explained that these were set following the analysis of end of year data and would be challenging. She encouraged the Panel to bring to her attention targets that they did not consider to be sufficiently challenging.

With regard to fly tipping; the Partnerships and Performance Section Head explained that as this was dealt with 'in house' it was monitored by the OSC. Members requested that the Partnership and Performance Section Head approach OSC to see whether fly tipping could now be reported to the Panel owing to the ongoing interest in the subject by members.

Members discussed item ES4 in the report in relation to levels of litter (where a lower figure was the best performance) and asked the Partnership and Performance Section Head to find out why a target of four percent had been set for 2016/17 despite a level of 3.9 percent achieved last year.

In response to a further question, the Partnerships and Performance Section Head confirmed that indicators were included in contracts; citing an example of the leisure centre contract where steps were being taken to make these more sophisticated. She explained that the Council did not initially seek default payments when aspects were not met; rather they would work in partnership with the contractors to resolve the issues.

The Panel discussed the out of hour's service and asked the Partnerships and Performance Section Head to find out how this was monitored.

Members congratulated the Partnerships and Performance section Head on the generally good explanations in the report when targets were not met. They discussed item ES5 in the report in relation to levels of detritus and requested the Partnership and Performance Section Head to find out why the performance was just below target.

Members discussed item R&B1 in the report in relation to the average time to process housing benefits claims; and requested the Partnerships and Performance Head of Section to ensure that a challenging target would be set. She undertook to do so - advising members that a target had not been set pending the arrival of a new head of service.

The Panel discussed item HR 2 in the report relating to staff satisfaction; and requested that the Partnership and Performance Section Head seek to have a target set for this indicator. In response to a question about why staff satisfaction surveys were not conducted annually, she explained that this was because the survey was at a financial cost to the Council in that an external organisation carried it out (to ensure independence and to give staff confidence in anonymity). However, the annual PDR process was also a means to find out staff satisfaction levels as staff scored their satisfaction as part of the review process. The Chair requested the Partnership and Performance Section Head to find out whether staff satisfaction levels could be benchmarked against other authorities.

Members discussed item R&D3 in the report in relation to reasons for parking appeals lost. The Partnership and Performance Section Head was requested to find out whether steps were taken to address the causes for appeals being lost.

Members discussed item ES3 in the report in relation to recycled household kerbside collection services - noting that performance was below target. They asked whether any measures were in place to penalise Veolia. The Partnerships and Performance Section Head explained that penalties would be part of the contract but she would need to find out more in relation to the Veolia contract. The Panel requested the Partnership and Performance Section Head to clarify the position.

The Panel discussed items LC1 and LC2 in the report in relation to throughput at the leisure centres and asked what the proposed two percent target for 2016/17 related to. The Partnerships and Performance Section Head explained that this was two percent of the throughput in 2015/16.

Members discussed item R&D1 in the report relating to penalty charge notices issued; requesting that the Partnerships and Performance Section Head should inquire of the Parking Manager whether setting a target for this indicator would be appropriate and if so at what level. It was felt that any target should not be too high to avoid putting undue pressure on civil enforcement officers.

Members requested that the Partnerships and Performance Section Head include the previous year's data in the report where a target was shown against an indicator; so that an appropriate comparison can be made.

Members discussed item ES4 in the report in relation to levels of litter. The Partnership and Performance Section Head explained in detail how the figures were prepared – including the conducting of site visits by Veolia, site checks carried out by the client team and the conducting of joint Veolia and client team visits. She requested members to contact her if they subsequently had any issues to raise; so she could discuss with the client team.

RESOLVED that:

- the Panel requested the Partnerships and Performance Section Head to inquire as to whether fly tipping monitoring could be undertaken by the Panel.
- the Panel requested the Partnerships and Performance Section Head to find out why an apparent less challenging target of four percent was set for 2016/17 in relation to levels of litter when a 3.9 percent level had been achieved in 2014/15.
- the Panel requested the Partnerships and Performance Section Head to find out how the out of hours service was monitored.
- the Panel requested the Partnerships and Performance Section Head to find out the reason why the levels of detritus were just below target.

- the Panel requested that the Partnerships and Performance Section Head to ensure that a challenging target was set for the average time to process housing benefit claims.
- the Panel requested that the Partnerships and Performance Section Head seek to have a target set for the staff satisfaction indicator.
- the Chair requested the Partnership and Performance Section Head to find out whether staff satisfaction levels could be benchmarked against other authorities.
- the Panel requested that the Partnerships and Performance Section Head find out whether steps were taken to address the reasons for parking appeals being lost.
- the Panel requested that the Partnerships and Performance Section Head to clarify whether Veolia had been penalised in relation to not meeting the target for recycled kerbside collection services.
- the Panel requested that the Partnerships and Performance Section Head to inquire of the Parking Manager whether setting a target for penalty charge notices issued would be appropriate and if so at what level.
- the Panel requested that the Partnerships and Performance Section Head include the previous year's data in the report where a target was shown against an indicator so that an appropriate comparison could be made.