

THE WAY AHEAD FOR COUNCIL SERVICES: TASK GROUP

22 FEBRUARY 2012

Present: Councillor S Rackett (Chair)
Councillors S Greenslade, K Hastrick, P Jeffree and S Johnson
Officers: Committee and Scrutiny Support Officer (JK)

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bell, Martins, McLeod and Watkin.

2 DISCLOSURES OF INTERESTS

There were no disclosures of interest.

3 UPDATE FROM THE CHAIR

The Chair circulated notes of his meeting with the Managing Director.

The Chair added that he had since been in contact with the Executive Director-Services and the work around evaluation would be required for July. On 20 March, Cabinet would be deciding whether to test the market or keep the service in-house. The Task Group could then work on the evaluation and specification should Cabinet decide to test the market. He confirmed that the process of testing the market could show that the in-house service delivered best value as the in-house team would quote as part of the process. This information would help the Task Group focus discussions for their final meetings. He suggested that the original Call-in date of 28 March could be used for a further meeting of the Task Group.

Councillor Johnson noted that nine councillors were too many for a Task Group and future work should be undertaken by a smaller group. The Chair said that arranging visits was difficult with nine Members.

The Committee and Scrutiny Support Officer expressed her concern that any meeting after 26 March would fall in purdah. Agreement from the Head of Legal and Property would be required for the Task Group to meet in this period.

Councillor Jeffree said that to produce a second report by mid-May might be challenging.

The Chair informed Members that councillors could meet in May and June to agree a report for July.

REPORT BACK FROM OTHER LOCAL AUTHORITIES

The Committee and Scrutiny Support Officer explained that she was not in favour of a visit to Adur and Worthing to discuss their shared services due to limited time and resources and the focus that there was in the scope on outsourcing.

The Chair suggested that a further visit could be arranged for stage two of the review after May.

The Committee and Scrutiny Support Officer informed the Task Group that the questionnaire had been sent to Watford's CIPFA family authorities, the other Hertfordshire districts and a few other councils who were known to be pursuing interesting service delivery models. This was a total of 21 councils and there had been six responses.

ACTION- The Committee and Scrutiny Support Officer to circulate the notes summarising the views expressed at the meeting at Three Rivers District Council (TRDC).

The Chair referred to the meeting at TRDC and the discussions around why waste was outsourced and then brought back in-house. The concerns about the service were not due to quality but in order for TRDC to have the flexibility in the contract needed to maintain the service they had to pay the contractor extra. This was a useful lesson in ensuring the contract is well-written. Money was saved at first but as extra costs were added the contract soon became more expensive than the in-house service.

Councillor Johnson asked if the Portfolio Holder at TRDC might have a different view. The Chair said he did not feel that this was the case and the explanation of the problem had been quite logical.

Councillor Jeffree recalled that these problems had been raised at the meeting with the Executive Directors. The contracts were fixed for a set period of time and when problems emerged they could be difficult to resolve. He added that he had looked at the websites of companies who offered services to councils and noted that Capita referred to a 'flexi-contract' which was available. Service providers seemed to be recognising councils' need for flexibility.

The Chair suggested that Cabinet be asked the cost of testing the market.

The Task Group then considered the responses to the questionnaire.

Adur and Worthing

The Chair informed Members that he had the contact details of the officer at Adur and Worthing and could get in touch with her should the Task Group have any further questions.

The Committee and Scrutiny Support Officer listed the joint committees that had been established at Adur and Worthing. These included a Joint Strategic Committee, Joint Delivery Committee, Joint Overview and Scrutiny Sub Committee and Joint Staff Committee.

The Chair noted that there had been a fear of being 'taken over' by the other authority. He referred to the meeting at TRDC and where there were concerns over lines of authority but no resistance in principle to further shared services. If the opportunity arose to share more services and money could be saved, TRDC would be happy for it to be investigated. With the lead authority model of shared services there needed to be clear lines of accountability and communication. He highlighted the example of Building Control where there was an informal arrangement with the officers all based at Watford Borough Council. When there was a problem, TRDC councillors had to contact their relevant director which was not an ideal process. This was a learning point for all shared services.

Councillor Jeffree asked whether savings had been made at Adur and Worthing through staff cuts.

The Chair suggested that the notes from Budget Panel's visit be circulated.

ACTION- Committee and Scrutiny Support Officer.

Councillor Johnson asked about the system of governance at TRDC and how well it worked.

The Chair responded that the councillor at TRDC felt that TRDC councillors were very well informed. There was no scrutiny structure as such and all decisions went to a committee before the Executive. Conversely, scrutiny at WBC was more about problems and opportunities.

Lambeth

The Chair noted that the questionnaire helped to clarify what the co-operative council at Lambeth was about. It was not just about delivery but also community involvement. The list of delivery methods demonstrated the flexibility of the approach.

Spelthorne

The Task Group noted that Spelthorne undertook a great deal of partnership working.

The Chair concluded that the questionnaires were very helpful and demonstrated the variety and flexibility in service delivery at other councils. The question to consider was 'what is best for the customer?'

5 THE VIEWS OF THE COMMUNITY

The Chair referred to the question about shared services and drew Members' attention to the result that 79 percent of respondents were in favour of more shared services.

Members commented that the questionnaire showed, however, that views on the standards of services were less clear-cut. The importance of different services to the public showed that communications was not considered as important as other services. The Chair added that Adur and Worthing sent out their council news as an ezine.

6 POLITICAL ACCOUNTABILITY IN SERVICE DELIVERY MODELS

The Chair drew the Task Group's attention to the questions on the agenda:

- What works well and should be maintained?
- For example, what is the Task Group's view on the Shared Services Joint Committee and the monitoring of SLM? What could work better and how?
- What structures would Members prefer to see in place to give greater democratic accountability (including both strategic influence and the ability to intervene when there are problems)?

The Chair said that his view was that the Shared Services Joint Committee did not work well. Councillor Johnson added that he felt that there was not enough democratic accountability on the Shared Services Joint Committee; there was not a representative from the Conservative Group on it.

The Chair explained that there were three councillors from each authority; at Watford this meant two Liberal Democrats and one from the opposition groups. The main reason for the difference between the councils was that Watford was a mayoral authority.

Councillor Johnson informed the Task Group that he felt political accountability was poor in outsourced services. The Chair referred to when SLM were invited to attend the Call-in and Performance Committee. He noted that they had to justify their performance to Members. However, scrutiny was quite a 'heavy instrument' to use to ensure contractors were accountable.

Councillor Jeffree expressed his concern about scrutiny being the main tool for accountability. There was no ongoing accountability and scrutiny was only involved when there was a problem. There was a lack of a 'soft' way for councillors to engage with contractors.

The Chair agreed that there needed to be a councillor contact for all services and delivery methods.

Councillor Greenslade noted that refuse and recycling was always going to be an expensive service due to the staff required.

The Chair commented that it could be appropriate to share a service like refuse and recycling. This would give councils greater buying power with manufacturers of vehicles and equipment.

Councillor Hastrick, a Member of the Waste and Recycling Task Group, said that the Council was not replacing the waste vehicles until a decision was made about the business case. It had not been possible for the Hertfordshire districts to agree on a common specification to enable them to buy in bulk.

The matrix

Councillor Jeffree referred to the matrix that he had been working on. The concept was that certain delivery methods suit certain services. His view was where in-house services were performing well there was little reason to externalise them. It would be better to consider how best to exploit and market high-performing services. At the meeting with the directors, the problems with ICT were discussed and the knee-jerk reaction to outsource seemed logical as the councils lack the skills. The options of in-house, shared services and outsourcing had different advantages and disadvantages depending on the service in question. He was concerned about the idea that everything should be outsourced to save money. Decisions should be made on a department-by-department basis. There were different factors which were important in different services; some required flexibility, others needed to be low-cost. In the matrix these could be ranked and then each service delivery method could be risk assessed. For example, flexibility might be very important for a particular service and in-house delivery might be considered the lowest risk delivery method for ensuring flexibility. He added that the tool should be discussed further by the Task Group.

ACTION- Councillor Jeffree to send the matrix to the Committee and Scrutiny Support Officer

The Chair said that he would like this tool to be an appendix to the Task Group's recommendations. He noted the example of Planning which had gone from being a very low-performing service to being one of the best nationally. It would be very risky to outsource a service like that and lose the performance. Sharing services would be less risky and could reduce overheads. He added that this had been part of the discussion with Councillor White. When services were shared, however, there was a danger that the better-performing authority's standard of service could be reduced to an average of the two standards.

Councillor Jeffree suggested that it would be useful to test the matrix on a number of departments to test it.

The Chair reminded the Task Group that Cabinet would decide in principle about outsourcing at the meeting in March. If Cabinet decided to test the market the decision could be called in but the purpose of the review was to make members' views known first.

Councillor Johnson asked for a precise definition of 'testing the market'.

ACTION- Committee and Scrutiny Support Officer

Conclusions

Councillor Jeffree said that his preference was to keep services in-house, then to consider sharing services and to outsource only as a last resort.

Councillor Johnson replied that he had no ideology one way or the other.

The Chair suggested that weightings should be added to the matrix to demonstrate the importance of different factors. For example, political accountability might account for 50 percent of the whole score.

Councillor Jeffree drew a comparison with the risk assessments that were done for other decisions which multiplied the probability and severity of the risk. He agreed to add another column to the matrix showing the weightings.

The Chair summarised that the Task Group had said that they favoured keeping high quality and good value services in-house. When there was a need or opportunity to reduce costs, sharing services was preferred to outsourcing. Outsourcing was appropriate for specialist, technical and/or poor performing services.

7 REVIEW OF PORTFOLIO HOLDER POLICY STATEMENT

It was agreed that the Committee and Scrutiny Support Officer would circulate the document to Task Group Members by email for comment before the next meeting. The response would be agreed at the meeting.

ACTION- Committee and Scrutiny Support Officer

8 DATE OF NEXT MEETING

Monday 27 February 7pm

Chair

The Meeting started at 7.00 pm
and finished at 8.20 pm