

MINUTES

FINANCE & RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

05 MARCH 2013

Present:

Adeleke	Sutton (Chairman)
Clark	Taylor
Doole	Townsend (Vice – Chairman)
Marshall	Vacant
Organ	W Wyatt - Lowe

Also attended: Councillor Harden – Portfolio Holder for Residents & Regulatory Services

Officers:

Janice Milsom	Assistant Director – Strategy & Transformation, Community & Organisation
Ben Hosier	Group Manager – Commissioning, Procurement & Compliance
Shane Flynn	Assistant Director – Project Governance
Louise Collins	Member Support Officer (Minutes)

The meeting started at 7.30pm.

OS/059/13 MINUTES

There was an amendment made to the minutes held on 16th January 2013.

“Councillor Doole referred to Appendix 2 and the miscellaneous saving of £30k”. The saving should state £300k.

Members referred to the action point lists which had not been completed by all Officers. Councillor Townsend suggested that a deadline be given to officers for outstanding action points to be resolved. All Members agreed that they would like to have all comments back by the end of March 2013.

Councillor Taylor referred to the minutes of 30th January 2013, page 11. He confirmed to Members that he met up with the Chair to discuss the Association Forum and thanked S Collins and D Gill for arranging the meeting. As he was unable to attend the meeting held at Bennetts End, he said that he will obtain the last set of minutes from the meeting to share with Members.

Action:

- LC to chase up action points from previous meetings and report back to the Committee by the end of March.
- Councillor Organ arrived at 7.40pm.

Chairman

Minutes of the meetings held on 16th and 30th January 2013 and 5th February 2013 were confirmed by the members present and were then signed by the Chairman.

OS/060/13 APOLOGIES FOR ABSENCE

An apology for absence was received on behalf of Councillor Ayling, Collins and Councillor Tiley.

OS/061/13 DECLARATIONS OF INTEREST

None

OS/062/13 PUBLIC PARTICIPATION

None

OS/063 /13 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO CALL-IN

None

OS/064/13 SHARED AND OUTSOURCED SERVICES UPDATE – CUSTOMER SERVICE CENTRE AND GATEWAY CONTRACT (CSCG)

J Milsom summarised her report on the Customer Service Centre and Gateway Contract (CSCG) tendering exercise and highlighted some key areas of the report for Members attention. She informed Members that a report would be going to Cabinet on 26th March for Cabinet’s decision on the future provision of the service. Reference was made to the background and development of the Customer Service Centre and Gateway project and the journey that has proceeded from May 2011 up to March 26th 2013.

J Milsom referred to the concluding comments in her report and said that she wanted to reassure Members that the procurement process that has been undertaken has been robust and careful and ongoing consideration of all of the risk elements of the project had been scrutinised carefully by Officers and Members of the Committee.

With regards to the Project Risk Assessments, many of the risks have been significantly reduced from 40 to 8. J Milsom pointed out that “Data Ownership” will be looked at on the Cabinet report. On the Project Risk Assessment, risk no 8 should now show that under column “TTTT” the risk has been treated. J Milsom said that this amendment will be amended and be reflected in the new report.

J Milsom offered to take questions from the Committee.

The Chair thanked the officer for her comprehensive overview of the Customer Service Centre tendering process.

Key points of discussion

Councillor Taylor thanked J Milsom for her report. He said that he felt at this stage at which the report was at, it was crucial to understand how Officers feel at the reality of possibly outsourcing outside of the Council and the changes in the services that will be offered.

Chairman

J Milsom said that she felt assured that the tendering process had been robust because of the level of corporate and specialist input and wanted to inform Members of this. She mentioned that the final evaluation was not in yet so was therefore unable to confirm what the recommendations will be. She pointed out that site visits had been conducted, by officers and Members to other local authorities that had outsourced the service and those sites visited did not feel any different in terms of local authority Customer Service Centres and there had been no evidence of any reduction in customer service focus or service reduction for customers. J Milsom also highlighted Members to the fact that the overall service specified in the tender documentation will not be anything short of what is expected for the Council at present and will focus on further improvement.

Councillor Taylor thanked the officer for her comments and said that it was reassuring to hear this.

Councillor Marshall referred to page 6 of the report and asked the officer to explain what was meant by the term “volumetric”, “failure demand” and “EDRMS”. She also asked about how many site visits had been carried out and by whom.

J Milsom confirmed that the term “volumetric” referred to the statistics on the number of calls and visits that are received and made to the CSU and how quickly they are answered. The term “failure demand” relates to the number of calls that are not answered correctly first time and then customers have to redial. “EDRMS” refers to Electronic Document and Records Management System. J Milsom mentioned that due to the confidentiality agreements, she was unable to disclose the name of the two authorities that had been visited as part of the site visits or details of the tender responses. Site visits had been made by both Officers and Members.

Councillor W Wyatt – Lowe asked B Hosier to confirm what his thoughts and comments were on the tendering procurement process and any new delivery arrangements.

B Hosier confirmed to Members that the current rules and regulations are robust. He said that there is a more complex procurement process at Dacorum this time round. Due to the value of the contract they have had to comply with public regulations. All processes are in place and have been adhered to and Members should be reassured of this.

Cllr Doole referred to the re-charges of £390k and asked if officers had considered the impact on back office support services if the CSU were outsourced and what other potential savings may arise as a consequence of this and any future outsourcing exercises.

S Flynn said that he would get a detailed answer back from J Deane and forward it on to the Committee.

Councillor W Wyatt – Lowe asked if Unison were happy with the changes that are due to take place and the number of significant redundancies that may occur as a result of the outsourcing. He also referred to the web development issues and asked how big of a project it was and if there would be any issues going forward.

J Milsom explained to Members that numerous meetings have taken place between Unison and officers and questions have been raised on staffing. J Milsom said that they have had to comply with the TUPE regulations which are all kept up to date. With

regards to the web development process, the officer mentioned that all details had been included in the budget improvement plan and has all been properly resourced.

S Flynn stated that the new website was due to go live during the week beginning 4th April 2013, although there was some consideration at present regarding delaying this because of the introduction of Council Tax Support at this time. In any event the web development project will be completed in good time

Councillor N Harden, Portfolio Holder for Residents & Regulatory Services, advised Members that he wanted to offer them some reassurance if the services were to be outsourced. He said that the relationship that we currently have with the CSU will not change or be compromised. The only difference would be that the employer would be different and existing staff would transfer.

Councillor Townsend highlighted his concerns and referred to the service specification within the contract and said that he found it hard to see how all of the information could be consumed. He asked what the commercial proposition was that was being offered and if we have compared our ITT service to that of other organisations. He suggested that an internal log audit be carried out if not already.

J Milsom explained that Bevan Brittan lawyers have been employed to advise on the legal and contractual aspects of the tender, as they are public sector specialists. They have advised on a large number of clarification questions that have been put forward to bidders (and from bidders) through e mail and in the face to face sessions conducted. J Milsom confirmed that a detailed scoring mechanism is in place and is being applied by a corporate specialist evaluation team, to ensure that the service specification for our services can be delivered.

B Hosier informed Members that the tendering process included an open day for companies which identified potential interest and engagement in the market which enabled the Council to put the PQQ document out. 14 responses were made to the PQQ which were evaluated and 5 were put on the shortlist and invited to tender. The officer said that various people had been spoken to; the Leader of the Council, Chief Executive and Group Managers. This then meant that the Council was able to look at the known factors such as the “decant” and the “roll out” of home working trial in Revenue and Benefits. B Hosier said that he felt the process had been well managed and robust in terms of working with the bidders that went forwards. From an evaluation point, over 80 questions were submitted from the resource pool and from Procurement’s prospective, so we can say that we have engaged with the market and responded to their needs. The officer pointed out that there had been lots of input from other services. The market responded clearly and the bidder felt that they could comply with the framework put in the tender.

Councillor Marshall said that she was surprised that there was not more interest from the market and found this very disappointing.

J Milsom said that the Council had been very specific about their requirements in the tender documentation and were not interested in simply delivering the service as it currently is. The level of investment and innovation may have meant that some bidders were not wanting to develop their current services to meet Dacorum’s needs. We did not only ask that a company answer calls and see face to face clients – the detail was much more specific, it was a strategic approach to aspire to the needs of the Council in the longer term and the market.

Councillor Adeleke said that he too shared over the concerns raised by his fellow Councillors. He said that he would like to see the position of the Council is not compromised. He felt that the process described in the report had been carried out very thoroughly.

Councillor Doole pointed out that he had several concerns such as the channel shifting and the relationship between the Council and the Contractor. He added that there will be substantial changes that will need to take place for this to work.

Councillor Organ referred to the nature of the scheme and asked if there was any changes from the old system to the new one that was being implemented and if it met the targets and aspirations and delivered what was promised.

J Milsom said that if the contract was awarded, the Council would employ a commercial contracts manager to ensure that the service was delivered and work with the back office services to make the improvements required. There was also a very detailed Performance Framework which would set out targets and standards and a robust governance framework which would allow detailed monitoring and scrutiny by both officers and Members.

Councillor Townsend asked if the officers could confirm how much money is being spent or plan on spending. He asked if the reports could mention this information.

B Hosier confirmed that this information would be in the report that will go to Cabinet. He said that they would be monitoring the performance against the current indicators and mentioned that certain indicators will be easier than others to demonstrate and if the contract is awarded, the Scrutiny Committee may wish to be involved before the contracts are signed in determining performance management reporting.

Councillor Harden complimented the Committee on the number of questions that had been raised at previous scrutiny meetings regarding the CSU and the impact that the services have on the Council. He mentioned that the questions raised have been taken on board which has been a real benefit to both officers and the CSU team.

The Chair also congratulated the officer for her excellent report but stressed his concern over not losing sight of the value of the service that we have in the Council.

Actions:

1. J Milsom to update the Project Risk Assessment under column "TTTT" and amend the wording from "tolerate" to "treat".
2. S Flynn to speak to J Deane with regards to the re-charges of £390k.

Outcome:

Members noted the progress on the Customer Service Centre and Gateway project and made comments on the project progress and process.

OS/065/13 EXCLUSION OF PUBLIC

That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1 as amended by the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during the item in Part II of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that if members of the

Chairman

public were present during this item there would be disclosure to them of exempt information relating to:

OS/066/13 WORK PROGRAMME 2013/14

Councillor Marshall requested that there be an addition to the Work Programme for the next meeting being held on 4th June. She requested that the Committee add on the item "Funding of core funded Community Groups". The Committee agreed to add on this item onto the Work Programme.

Councillor Taylor said that he welcomed this item being put on the work programme for Finance & Resources and asked if it could be made part of the internal audit process and said that it was important that these grants were still offered.

Councillor Harden confirmed that there would be no changes made to the grants this financial year. There may be some changes made in 14/15, however discussions were taking place.

The meeting ended at 8.50 pm