



<u>Committee and Date</u>
Performance Management Scrutiny Committee
19 March 2014

<u>Item</u>
<b>3</b>
Public

**MINUTES OF THE PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE MEETING HELD AT 10.00AM ON WEDNESDAY 12 FEBRUARY 2014 IN THE SHREWSBURY ROOM, SHIREHALL, SHREWSBURY**

**Responsible Officer** Jane Palmer

Email: jane.palmer@shropshire.gov.uk

Telephone: 01743 252748

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**PRESENT**

**Councillors:**

M. Bennett [Chairman], Mrs. J. Barrow, G Dakin, S. Davenport, R. Evans, V.Hunt, M. Kenny, D. Lloyd [Vice Chairman], A. Mosley and B. Williams.

**12. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

There were no apologies for absence.

**13. DISCLOSABLE PECUNIARY INTERESTS**

No disclosable pecuniary interests were declared.

**14. MINUTES OF THE MEETING HELD ON 27 NOVEMBER 2013**

**RESOLVED:**

That the Minutes of the meeting of the Performance Management Scrutiny Committee held on 27 November 2013 be approved as a correct record and signed by the Chairman.

**15. PUBLIC QUESTION TIME**

Question from Mr John Dodson on behalf of Shropshire Seniors

*As a result of attending the 04.12.2013 reconvened Performance Management Scrutiny meeting I prepared and emailed notes of that meeting to the Chief Executive which he acknowledged as appropriate.*

*Those notes referred to the urgent meetings to be held in various locations around the county where councillors could engage with key partners in the community to gain input on concerns and opinions regard the £80m cuts to be made over the next*

*three years. I noted that these partners could include Shropshire Seniors, Age UK, and the VCSA.*

*As of the date of this question our Association has not been contacted. Therefore were meetings held at various locations and if not how will involved councillors be able to assess concerns and opinion held by such partners as ours across the county and present findings at the 12.02.2014 Performance Management Scrutiny meeting?*

Response:

The Rapid Action Groups recently operating as part of the Scrutiny process are looking at specific aspects of the 2014/15 budget. The Rapid Action Groups will look at topics throughout the year as determined by the relevant Scrutiny Committee. It is at the discretion of each Scrutiny Chair which, if any, external organisations they involve in the work of their Rapid Action Groups. However, the Council will endeavour to involve relevant VCS organisations in work to redesign services pertaining to those organisations. In addition, the Council will consult on any service changes.

Over recent months the Council has met regularly as follows:

14 August 2013 - Keith Barrow, Stephen Chandler + John Dodson and colleagues.

23 October 2013 – as above.

18 December 2013 – Keith Barrow, Stephen Chandler, Lee Chapman, + John Dodson and colleagues.

13 January 2014 – Stephen Chandler & James Walton attended the Shropshire Older Persons Forum.

29 January 2014 – Cabinet/Directors/VCSA Meeting – 29 January 2014. Heather Osborne attended from Age UK.

8 February 2014 – Stephen Chandler attended the Voluntary Sector Health and Social Care Forum.

Mr Dodson commented that he still had concerns on the process and specifically on how observations from key partners would be addressed in future.

Questions from Mr Graeme Perks

### **Question One**

*Given Shropshire Council Cabinet discussed the Localism Act 2011 Community Right the Bid on the 17th Oct 2012 and Shropshire Council conducted a whole working together differently community engagement and consultation exercise, which has not yet reported back to volunteers and stakeholder, which was the spirit of the 2009 Communities in control process.*

*Can the process of selling the newer buildings of the old Stone House SSDC former complex be halted and scrutinized further please? The sale of old Stone House was publicly consulted upon and formal market selling methods used in genuine public open and transparent consultation.*

Response:

The Council has been undertaking an exercise to rationalise accommodation to ensure that service provision is the most efficient and effective that it can be. The Council intends to dispose of any asset deemed to be surplus, the disposal process will follow the Council's protocol and any sales will be made via the open market.

Mr Perks commented that he hoped all asset disposals would be consulted upon.

### **Question Two**

- a) *Given the single Cabinet member decision to close down the Ludlow Coder Rd skip facility, can the scrutiny process request the environmental impact study and financial and public health risk assessments and data, which must have supported this decision are released now for public scrutiny please?*

Response:

The review of the Coder Road Amenity Skip facility, Ludlow did not include an environmental impact study or public health risk assessment as the purpose of the exercise was to assess the recycling performance of the facility in comparison to the 5 Household Recycling Centres (HRCs). An environmental impact study would normally be undertaken during the design phase of a facility, which this was not the case. Comparison of recycling performance was based on tonnages of material received at the HRCs and Coder Road Amenity Skip and showed recycling performance at Coder Road being considerably less than the 5 HRCs. Current performance for December 2013 for Coder Road was 17% which reinforces the fact that the site is predominantly used to dispose of residual waste, which is landfilled.

A public health risk assessment was not completed nor was this necessary. Site inspections by the Health & Safety Executive are conducted on all sites operated by Veolia including Coder Road Amenity skip however this information was not used in the decision making process. An Equality Impact Needs Assessment (EINA) was however completed and attached as an Appendix to the public report

Financial data, where not commercially sensitive, was contained in both the report and consultation documents. Detailed financial and commercial information contained in the part 2 report, remains commercially confidential in accordance with Category 3 of Paragraph 10.4 of the Councils Access to Information Rules. Capital and operating costs included in the report for upgrading of the amenity skip site were estimated as Veolia were not instructed to undertake detailed financial costs as upgrading of the site was not a viable option for consideration as explained in the report and consultation documents.

- b) *Is it possible for this Committee to request a hold on the closing of the site please?*

The deadline of Wednesday 5<sup>th</sup> February for receipt of any scrutiny call-in notice has also passed and the decision implemented on 6<sup>th</sup> February. Veolia have received an instruction to commence the process of formally notifying their site operators and to develop plans for site decommissioning and notification of the public. The gates of the amenity skip site will be closed to the public 28<sup>th</sup> February 2014, with decommissioning complete by 31<sup>st</sup> March 2014.

Mr Perks commented that he hoped that voluntary led groups such as Whitcliffe Commoners and the Gallows Bank Trust would not be charged should an increase in fly tipping result from the closure.

### **Question 3**

*Given concerns in the town about land being sold off next to the Smithfield Car park, and improving but far from perfect decision making and consultation re the youth building, can we be assured no DECISION will be made about the Ludlow Police and Fire Stations (given their asset value) in the future without proper public consultation please?*

Response:

Whilst the Council will often discuss options for buildings with partners prior to any disposal decision being made, to ensure there is no alternative public use, it does not have any influence over disposals that may be planned by either the Police or Fire authorities which are independent bodies.

Mr Perks queried the process followed for the sale of the Smithfield land; a response would be provided.

### **Question Four**

*At last year's AGM for the Shropshire Association of Local Councils, real concern was raised about the governance of the floated Company IP&E, given the Telford and Wrekin Cooperative approach to reacting to public service reform (our MP outlined to me in his letter of 19th Nov 2010 but for which I have not permission to copy to you), can this scrutiny process do or request a report, on how effective the governance of ip&e is relating to the November 2010 public services Private Member's Bill please or any other measures your Committee deems to reinforce public confidence in service provision and assurance of appropriate governance.*

Response:

The governance arrangements in respect of ip&e Limited include the following measures:

- Ip&e Limited is a company regulated by the provisions of the Companies Act 2006;
- The company has a set of Articles of Association which determines its own internal governance, which are approved by the Council;
- The Council has control over the company in its capacity as sole shareholder;
- The Council also has controls over the company via the Strategic Contract between the Council and ip&e Limited, which also enables the Council to receive information relating to the company's performance and financial matters;
- The Board of Directors of ip&e Limited have appointed an external auditor and accountant;
- The Council's internal Audit team have access to the Company under the terms of the Strategic Contract.

In respect of service provision, any service that is proposed for transfer to ip&e Limited is the subject of a business case and business analysis which is then presented to Cabinet for approval. A formal Services Contract is drawn up between the Council and ip&e Limited in respect of any services provided on behalf of the Council to specify and govern the standards of delivery of those services.

Responding to Mr Perks' request for information on ip&e to be made available to the public, the Chief Executive advised that first year figures would be on the website, once available.

## **16. MEMBER QUESTION TIME**

There were none.

## **17. FEEDBACK FROM THE RAPID ACTION GROUPS [RAGs]**

The Committee received feedback from each of the six RAGs including the key findings of each Group and the broad identification of areas that may need further investigation.

### **a) Economic Growth RAG feedback.**

The Group focussed on the budget for Economic Growth and specifically Business and Enterprise within the Business Plan and whether the £80M savings were achievable.

It undertook its work through:

- Meetings with key Officers in the service area
- Customer journey mapping evidence
- Evidence from the Action Plan for employment and skills and grants available to businesses
- Evidence from the Budget Plan for the service area

The key findings from the Group were:

- Redesign in this area is in its infancy and it is vital that the Enterprise and Growth Scrutiny Committee becomes involved in the redesign work as it progresses.
- The redesign will be part of the commissioning process – challenge with economic growth is the identification of what will be 'in scope' as Shropshire Council is not the sole player in this area; co-creation is key and constant challenge of 'why' is very useful.

Key comments from the Committee included the following points:

- Clear that there is more work to be done in scrutinising this area as redesign progresses.

- Concerns that RAG intervention untimely and premature given the early stage of service redesign – how can scrutiny have a positive impact in building for the future?
- Further challenge was needed on grants available to businesses – what is awarded/ why/ benefits? Business engagement and relationship with the Business Board/ Local Enterprise Partnership etc. and the relationship with outside organisations and input from them in future service redesign

b) Performance Management RAG feedback

The Group focussed on the work being done to align performance management to the Council's change agenda and the outcomes identified in the draft Business Plan.

It undertook its work through a series of sessions between the members of the Group and members of the Performance Management Team bringing in the Portfolio Holder at various times during which the following issues were looked at:

- Challenging the basis of the outcome approach being adopted
- Looking at the measures being included and whether they indicated progress towards an outcome
- Insight into the level and presentation style of information within the framework
- How the different levels of the framework will be used and by whom

The key findings from the Group were:

- A RAG should look at the new framework for the 4th quarter of 2013/14
- The new business planning cycle should be used to develop the future working model for scrutiny
- The outcome framework should be used by scrutiny to inform and assist their future work programme
- Training should be provided on the framework to ensure clarity of the approach and the information available to users

Key comments from the Committee included the following points:

- This Group had worked well and its presentation was clear and concise.
- Recognition that this was evolving – need to consider inclusion of targets in future information, ensure consistency of data and how it is measured.
- Need to engage with partners both inside and outside the organisation
- Recognise that the Group was looking at data presentation rather than data collection – aim to illustrate performance in a meaningful way i.e. are we doing what we need to be doing? 'Can hit a target but still miss the point'
- Exception reporting as a focus

- Accept that more refinement yet to do
- Integrate performance management closely with the work of the Scrutiny Committees

c) Regulatory and Business Support RAG

The Group focussed on looking at the essential direction and progress of the RaBBS programme and undertaking an initial critique of this programme.

It undertook its work largely through meetings/workshops with key Officers developing the RaBBS programme and consideration of written information that they provided including the Position Statement, the Action Plan and additional information on external legal advice provided on the programme.

The key findings from the Group were:

- The RaBBS team has worked extremely hard in devising a blueprint for a completely new way of operating.
- The new service is not quite ready to be launched and any judgement of its ultimate success would not be fair or appropriate at this time
- Concerns on the level of support that the Council would need to commit to the project in its initial phase through a substantial marketing budget
- Concerns on the gap between the ambitious intentions and the likelihood of success of the RaBBS, although not quantified

The key comments from the Committee included the following points:

- Concern that the timing of the RAG intervention may have been a little premature at this stage of project development
- Acknowledged complexity of this work – delivery options still being explored before a key decision is made. Noted the objective of the programme is to find the best delivery model for the future.
- Acknowledged ‘risk based approach’ being taken in development of the project i.e. expertise focussed on high risk business, maintenance of core statutory work
- Consultation to be undertaken once the RaBBS project developed – too early for this to be done yet
- Challenge of developing programme should be considered as an opportunity [the aim to ‘get it right first time’] rather than being considered as a threat
- Recognised that trading vehicle still under consideration and ip&e being considered as one of several other opportunities.

d) Waste Review RAG

The Group focussed on a review the existing arrangements and explore opportunities to produce efficiency savings and to identify potential income streams [including but not limited to trade waste] through contract variations.

Given the time constraints, the Group met with and questioned staff of the Waste Management Team and examined appropriate documentation to understand which

areas of the operation would provide the focus for internal review to produce either cost savings or increased income. The Group would have liked to visit recycling and transfer stations as part of its work but time was not available – this should be included as part of future work.

The key findings from the Group were:

- The Internal Review Team is keen and enthusiastic and their efforts are commendable.
- Support the general direction and approach being taken by the Review Team but recommend that a Task and Finish Group should be established to support their work [the RAG members would be interested in continuing this work]
- Recognise that waste disposal is main cost element but also the area where most benefit could be seen in future
- Strongly recommend that any proposed changes are piloted across the County and that the public need to be fully informed when any service changes are introduced – communication is key
- Believe that some issues could be started sooner rather than later for the benefit to society as well as reducing costs i.e. Promotion of food waste reduction, lobbying for less packaging by suppliers and looking at ways to influence young people

The key comments from the Committee included the following points:

- Recognition that the Council's contractors, Veolia, understand the budget savings to be made and working with the Council to make the savings – cost reductions by both parties and working together to bring to fruition.
- Understanding that a range of options being discussed, both parties agree reductions are needed but how this is to be done is still in development and under discussion e.g. reduction in the amount of waste going to landfill, possibilities re cardboard collection, issues re co-mingling of recycling, anaerobic digester – food waste etc, the potential for the development of the collection and disposal of trade waste.
- Support the need to change people's behaviour and understand the customers' perspective [how effective are waste prevention programmes in this?]. The need to 'do things differently'.
- Recognition that this is a massive work area and may take months to develop – the timescales for the RAG were very short and there should be further scrutiny of the key issues.

#### e) Adult Social Care Operating Model

The Group focussed on two key areas namely 1. The STEPS pilot programme currently operating in the north west of the county – an understanding of the programme and how this could be considered for further roll out across the county and 2. The People2People project currently operating in the Craven Arms area.

The Group concentrated its work on looking at the two pilot projects [above] and by receiving information from key players within those projects.



The Group experienced some difficulties in working to the very tight time limits for this RAG work and having insufficient opportunity to meet together given the diary constraints of its Group members.

The Key findings from the Group were:

- New operating models should be considered for roll out across the county whilst also recognising that a 'one size fits all' approach may not be appropriate. More time is needed to test and challenge the prototype schemes.
- Fundamental need to match resources to the design systems
- Significantly more time needed to continue scrutiny work in this area – there is ample scope for the establishment of an onward Task and Finish Group to carry on what has been started. Future work recommended between Officers, customers, carers and cross border communication
- Recognition that the new operating model will focus on helping people in good time and in advance of the need for nursing care – initiatives to keep people in their own homes for as long as possible. Scrutiny has a clear role in assisting with the redesign of this service area.

The key comments from the Committee included the following points:

- Recognition that savings in ASC are being implemented and savings are achievable with the service design changes that are taking place
- Recognition that other parts of the Council need to support the aims of the new service redesign and there is a collective move to support the changes.
- Leaders have a role to help shape customer expectation in future
- Wholehearted agreement that further scrutiny work in this service area would be beneficial and the initial findings of this RAG have scratched the surface of the issues.

f) Adult Social Care Impact of Personalisation

The Group focussed on the impact of Personalised Budgets [PBs] on Adult Social Care. Separately and together Group members spoke with service users, carers, Council staff, advisory groups, service providers and the voluntary sector.

The key findings from the Group were:

- PBs save the Council money and offer an element of choice to users and to those who are helped to navigate the process. Although there are examples of PBs working well the Group identified issues that need further examination, as follows:
- Current situation confused and confusing with a lack of transparency and consistency.
- Administration and audit of the PBs bureaucratic and causing difficulty and stress for some users and a resultant loss of trust and confidence in the Council. This experience is not universal though.

- Lack of flexibility to use budgets more creatively. No incentive for users to save money from the budget by finding a cheaper supplier. Complexity and style of the audit process gave cause for concern.
- Monitoring of the service provided needs attention – focus is on the monitoring of ‘cost’
- Communication need improving and need for an identified point of contact to deal with enquiries
- The Group strongly recommends that further work is carried out based on the work started– feel they have only scratched the surface. Scrutiny has a vital role in shaping future improvements to the PB process.

The key comments from the Committee included the following points:

- Recognition that Council doing things differently and a steep learning curve in some areas – aim to design the frustrations identified out of the system. The RAG has drawn attention to areas that may benefit from redesign.
- Recognition that PBs, whilst being a flagship project, have current elements that need attention and that will be addressed.
- In future things will be done differently and better – scrutiny can help with the identification of the solutions. Take on board the positive aspects and the onward challenge will be to address any negatives and make improvements.
- Future focus on redesign, service improvements and cost savings.

In drawing the RAG presentations to a close, the Committee Chairman drew attention to the challenges that had been reported back from the RAGs and commended all those involved in drawing attention to areas of improvement and potential redesign. The Leader commented that the RAG process was new to all, improvements would be made to the process and Members would be helped to ‘do things differently’ and identify solutions. The consensus of the meeting was that the process was helpful and should be developed for ongoing use as a tool for scrutiny.

## **18. SCRUTINY OF THE COUNCIL’S BUSINESS PLAN AND FINANCIAL STRATEGY 2014/15 TO 2023/24**

The Leader drew Members’ attention to the level of savings required and the need for the Council to consider how it could do things differently and cited the example of the STEPS process that had resulted in a 12 point process being reduced to a 4 point process. This change would result in significant changes and would empower staff to make decisions. He added that further work was also needed on joint working with public sector partners and also drew attention to savings to be made through ip&e and gave the example of the 360 communications team now trading for profit and employing two additional members of staff.

Responding to concerns on the ASC budgets, the Leader stated that he was confident that savings required could be achieved. The Chief Executive added that the local commissioning work in Church Stretton illustrated how early intervention could save £16M if people did not enter the ‘system’ within the Council. Members noted that Health was investing in this and was aware that infrastructure changes and joint investment could rehabilitate people more quickly, was better for them and saved money!

Responding to concerns relating to Looked After Children, the Chief Executive stressed that it was far better to try to turn things around at home, where possible keep the child at home which was better for the child and cheaper for the Council. The Committee noted the need for wholesale redesign and restructure of this area and how best to look after children. The RAG members had already indicated that they would be happy to continue their work in this area.

A Member commented on the degree of assurance that could be offered by the Section 151 Officer on the figures provided but accepted that it was premature to challenge at this stage. The Chief Executive assured the Committee that figures would not have been included in the budget unless there was confidence in their veracity, or at the very least, that they provided a more than reasonable projection. The Leader stressed the need for the Council's service redesign and the reinvention of services for the benefit of its customers, staff and Members.

The Chief Executive reminded the Committee that the figures represented a plan for the future and added that there was the opportunity for adjustments along the way in future, and when necessary. He added that, although the Council was being redesigned, employment in Shropshire as a whole was actually improving.

Referring to a Member's call for a return of the former 'Star Chamber' process, the Chief Executive stated that this was an unnecessary, adversarial process; the Council understood its budgets and its onward direction of travel. The Committee Chairman reminded Members that scrutiny could and should provide challenge and it was agreed that the 'challenge' process was key.

In drawing the debate to a close, the Chairman concluded that the budget and Financial Strategy represented a reasonably robust set of figures and actions to achieve the outcomes based on major service changes and recognised that scrutiny had a role to assist, support and challenge the redesign process and monitor the outcomes of the budget. There was general consensus of approval to this concluding statement.

## **RESOLVED**

- i) The Financial Strategy and Business Plan represent a reasonable, robust set of figures and actions to achieve the Council's outcomes based on major budget reductions and service changes, and
- ii) There is a role for Overview and Scrutiny to assist, support and challenge the redesign process and monitor the outcomes for the Leader's budget, adopting the new Rapid Action Group (RAG) methodology.

## **19. DATE/TIME OF FUTURE MEETINGS OF THE COMMITTEE**

It was noted that the Committee was scheduled to next meet at 2.30pm on Wednesday 19 March 2014.

The meeting closed at 4.00pm