

Corporate and Communities Overview and Scrutiny Panel Tuesday, 23 June 2015, County Hall Worcester - 2.00 pm

		Minutes
Present:		Mr C B Taylor (Chairman), Mr S R Peters (Vice Chairman), Mr M H Broomfield, Mr S C Cross, Mrs P E Davey, Mr C G Holt, Mrs E B Tucker and Mr P A Tuthill
Also attended:		Mr J H Smith, Cabinet Member with Responsibility for Highways Sander Kristel (Director of Commercial and Change), Simon Mallinson (Head of Legal and Democratic Services), Paul Smith (Transport Commissioning and Logistics Manager), Dave Hunter (Highways Liason Engineer), Suzanne O'Leary (Democratic Governance and Scrutiny Manager) Sharran Grove (Scrutiny Liaison Officer) Stella Wood (Overview and Scrutiny Officer)
Available Papers		The members had before them: A. The Agenda papers (previously circulated); B. Presentation handouts in relation to progress and Future Plans – Commercial and Change Directorate (circulated at the Meeting); C. The Minutes of the Meeting held on 15 May 2015 (previously circulated). (Copies of documents A and B will be attached to the signed Minutes).
132	Apologies and Welcome	Apologies were received from Mr M L Bayliss (Cabinet Member with Responsibility for Transformation and Commissioning) and Mr Mr R C Lunn. The Chairman welcomed two new members of the Panel: Mrs P E Davey and Mr M H Broomfield.
133	Declarations of Interest and of any Party Whip	None.

134 Public Participation

None.

135 Confirmation of the Minutes of the Previous Meeting

The Minutes of the meeting held on 15 May 2015 were confirmed as a correct record and signed by the Chairman.

136 Worcestershire Councillors' Divisional Fund and Local Members' Highway Fund

The Head of Legal and Democratic Services was invited to present the Worcestershire Councillors' Divisional Fund (WCDF) annual report. In addition, a Highways Liaison Engineer and the Transport Commissioning and Logistics Manager, were invited to discuss the local members' Highways Fund.

Worcestershire Councillors Divisional Fund

As outlined in the agenda, the report set out any issues arising from the operation of the WCDF Scheme. The appendix to the report set out the actual expenditure in each Division for 2014/15.

It was highlighted that the WCDF was a formal scheme approved by Council, and administered by Legal and Democratic Services. Members had considerable discretion in how they allocated their £10,000 each per annum in a way that would promote or improve economic, social and/or environmental well-being for the benefit of those in their Division.

Local Member decisions under the WCDF Scheme were formal decisions on behalf of the Council. A transparent audit trail in respect of decisions under the Scheme was essential in order to comply with the legislation. The individual Member was responsible for ensuring a record was made in writing of any decision or action she or he had taken in connection with this Scheme. Councillors filled in a single page form to both request a particular payment and also record that decision and reasons for it. The form, guidance about the scheme and expenditure was published on the web.

Main points for the year 2014/15 were that 658 payments were made in total on a wide range of support for various groups, individuals and organisations, including for example, a trip for scouts to Upton Warren, support for local choirs, dial a ride, and Macmillan nurses. £567,120 was spent out of £594,026 made available. £26,905 has been rolled forward to 2015/16.

An internal audit of the Councillor's Divisional Fund Scheme took place during 2014/15 and as a result the Scheme and Guidance had been updated to reflect points made by Audit as follows:

- that payments should be net of VAT where the payee could recover VAT from whatever was purchased
- that members check that the money had in fact been spent as intended
- to advise members that declarations of interests should include relevant school governorships

During the ensuing discussion, the following main points were made.

It was picked up during the audit that if a Member authorised payment to a school where they were a Governor, then the Member should declare this as an interest as they would at Council Committees and include it on the application form. Similarly, a disclosable pecuniary interest would prevent any Councillor involvement.

Currently, if a Councillor requested payment to a school for example, the payment would automatically go to that school with no notification and could easily get lost in the school accounts. Members suggested it would be helpful if the recipient was notified by email that the payment had been made. The Head of Legal and Democratic Services undertook to check with the Finance team about the process for linking a payment to a notification.

A Member had heard about an unsuccessful applicant who had complained about a Councillor's conduct and asked what advice Members needed to avoid complaints. It was explained that a resident had asked a number of County Councillors for Divisional Funds and when one Councillor had declined to meet the applicant a formal complaint was made. It was deemed that the main issue was that the applicant disagreed with the Councillor's decision, not that the Councillor had behaved outside the code of conduct. The underlying point was that Members were not under any obligation to support applications, it was entirely their decision to make on what might be helpful in their Division.

Members had experienced very good feedback from most recipients.

The Panel was reminded that it was a requirement of the Scheme that there was an annual report to scrutiny on the Scheme.

In relation to whether giving money to Councillors was the best way to allocate funding, Members believed that the WCDF was an excellent scheme, elegant in its simplicity and some members felt that more money would be beneficial.

It was important to make it clear to applicants at the outset that money from the WCDF was provided by Worcestershire County Council, and should not be credited as a gift from a Councillor.

It was confirmed that it was the County Councillors' responsibility to check that money from the WCDF was spent as intended and that Councillors should make time to do this. There had been a couple of cases where money had been used on something other than was originally intended. The Panel was advised that the proforma should be updated to show what the money had been spent on.

Members asked how recipients were made aware of the process and were advised that the WCDF scheme was publically accessible on the Council's web site although it was acknowledged that guidance for recipients could be included. Recipients should be aware that funds must be spent as outlined in the application. A Member suggested there should be written confirmation of the arrangement between the Councillor and the recipient.

Members asked if the Council learned lessons from other authorities, such as Nottinghamshire, which also had a Divisional Fund scheme, and were advised that this and other schemes had been used in the creation of the WCDF scheme. It would be useful to look again at the day to day operation of the Nottinghamshire Scheme to see if anything beneficial could be learned. The Head of Legal and Democratic Services agreed to have a look at their scheme and circulate the outcome to Members

Local Members' Highways Fund

Dave Hunter, a Highways Liaison Engineer and the Transport Commissioning and Logistics Manager were invited to discuss the local members' Highways Fund.

As outlined in the agenda, the local members' Highways Fund was made up of a long standing Locally Determined Budget and a more recent Member Led Budget.

For the Locally Determined Budget, Councillors each received a small amount of money (based on urban/rural road length in each district) to spend on any minor highways related activity. Work was arranged through the Highways Liaison Engineer.

The Member Led budget was first introduced in 2013-2015 and again for the current two year period (2015-2017). It is for highways maintenance schemes and is led by the elected member. The 2015/16 budget plans, approved by Council in February 2015, include increased spending on highways and infrastructure designed to boost the local economy. An extra £500,000 was being invested in improving county highways while a further £2 million was going into a local members' Highways Fund to enable all County Councillors to fund improvements in their areas – equivalent to £35,000 per division. The aim of the Member Led highway maintenance budget was so that Councillors could influence improvements in their area.

During the ensuing discussion, the following main points were made.

- There was a different approach this year for the Member Led budget. Each Councillor would be supplied with a list of potential sites for maintenance identified by the Highway Liaison Engineers. Letters would go out within the next few days and Councillors would be asked to prioritise the top 5 schemes which are important to them. This would again be done in conjunction with their Liaison Engineer, utilising the engineer's knowledge and experience. The Directorate was asking for all requests to be submitted by 1 September 2015 to enable the coordination of works on the highway.
- The majority of the work between 2013 and 2015 was carried out on footway and carriageway patching repairs.
- A member understood that under the previous Highways Maintenance Contract, money allocated was for work on the ground but the new contract included administrative charges. It was confirmed that there was an element of administrative/management and design charges as part of the contract.
- In relation to dropped kerbs, prices ranged from

about £750 to £1,500 depending on the length and distance from the property and whether there was a grass verge. There had previously been a list of approved contractors and some residents had found it hard to get quotes in their area. To simplify the process, now only Ringway could do the required work.

- The Local Members' Highways Fund was a comparatively small part of the overall highways maintenance budget and Members asked how they would know if work requested might be done anyway? Members would be advised if work was already programmed.
- Members wished to have more information on Ringway's work programme in advance to help them decide where to spend their Highways Fund allocation. Details of the work programme were often not available until later in the year. The Panel was advised that information on planned works already on the footway maintenance programme was available and would be circulated to members.
- Members were concerned that when they did ask for work to be done, it took a long time before work could start. It was felt that greater flexibility should be built in if possible.
- Some members felt that yellow lines and disabled parking bays seemed to get done more quickly than other jobs involving tarmacking. A member had asked for some white lining and was advised that new standards for lines were being introduced so it was currently not possible to say when the work could be done.
- Members often did not know the price of various highways work which again made it difficult to prioritise work. Members were advised to discuss potential work with their HLE who would be able to advise on costs. It was not possible to circulate a price list as costs varied depending on the extent of the work and type of road.
- If the contractor was already working in an area then more work might be done more quickly although costs would mainly be the same.
- The amount of Local Members' Highways Fund varied slightly for each Councillor. In addition to

road length, amounts were adjusted for urban or rural locations (generally more per head for rural areas).

- There was a lack of uniformity across the Council as in some areas members were unaware of how much of their highway fund allocation had been spent and how much was left. Members felt this information was necessary to help make informed decisions. It was agreed that greater transparency and simplicity was needed and it was planned that details of spend would be made available in future. Templates had been developed for this purpose and would soon be in place.
- In relation to whether the local members' Highway Fund was an effective way of allocating funding, many members believed it provided them with an opportunity to respond to the needs of local residents and get urgent work done in areas of concern. Another member felt that it instilled realism when residents realised the cost of highway maintenance work. Members appreciated the level of influence and being able to do something positive for residents in their area.
- The public only saw the superficial problems on roads. Highways engineers would know where much bigger spending was required, for example, on the substructure of a road. There needed to be a balance between the two. There was a finite amount of money and residents might think a road was in need of repair whereas there were often other roads in much worse condition in the area.
- The Panel's comments on the operation of the WCDF and the local members' Highways Fund were as follows:

Members valued the WCDF. They liked the relative freedom to spend the money on what they felt was beneficial and to respond to their communities on issues that may not be a priority for the Council.. It helped encourage volunteers and contributions from the community and the Panel felt it represented very good value for money.

- Although some members would like the Fund to be larger, it was agreed not to recommend an increase as inflation was low and an increase would just lead to cuts elsewhere. The Panel acknowledged there

was no certainty that the scheme would continue, but strongly recommended that the WCDF continue in its present form.

- In relation to the local members' Highway Fund, the Panel welcomed the new approach this year where the HLE would help prioritise the top five areas for improvement. The Panel felt that this, along with plans to make details of spend transparent across the County was a positive move.
- Overall, the level of funding was felt to be reasonable, although would not go very far given the cost of improving even short lengths of highway or footway. Members appreciated the ability to influence part of a focussed service budget.
- The Panel was concerned that some Councillors were not made aware of highway maintenance plans in their area, considered essential if deciding where to prioritise funding. Plans must be made available to Councillors as soon as they became available. Another concern was that some members had found that under the new contract, work could not be fitted in to the maintenance programme for a long time as the programme was already full. The Panel felt that greater flexibility was required. It was suggested that these issues could be raised as part of the discussion on the new Highways Maintenance Contract at the Economy and Environment Overview and Scrutiny Panel on 24 June 2015.

137 Progress and Future Plans - Commercial and Change Directorate

The Director of Commercial and Change was invited to discuss progress on priorities and future plans in his Directorate, including an emphasis on branding and reputation.

The Director gave a presentation outlining progress on priorities and future plans as follows.

The Director's priorities included:

- Commercial leadership across the Council
- Next phase of Transformation
- Making Open for Business a key priority
- Worcestershire's reputation
- Ensuring the Directorate is efficient and effective (including structure)

- Ensuring the commissioning cycle is effective from insight, design, procurement through to performance and contract management
- Major Directorate projects such as JPV (now the Place Partnership) and Investing in the Future

Main actions since the Director's arrival included:

- Assessment of skills across the organisation
- Analysis of contracts register to identify where savings might be made and renegotiate relevant contracts as appropriate
- Review of PFI contracts
- Staff support and training on alternative models of service provision (e.g. social enterprise)
- Improved commercial reporting, further development of the professional commercial function and increased commercial and negotiation training
- Actively engaging with local businesses

The next phase of Transformation included:

- Developing the next iteration of FutureFit 2020 (further faster). The public would be engaged through roadshows from the end of August 2015
- Reducing FutureFit risks (financial risks had been reduced)
- Improving the Corporate Strategy Planning process
- Learning visits to and from other organisations
- Launching the Leadership Exchange

The following actions had been taken to promote Worcestershire's Reputation and Open for Business:

- Improved press coverage worth over £2m including 855 media releases and 1,137 enquiries from the media returned (the most for five years)
- World Class Worcestershire themed plan. Events include MIPIM 2014, Digital 2015 (annual digital innovation festival). Bespoke/targeted events in London and Birmingham targeted by more than 200 invited delegates
- Sponsorship of the Cricket Club (shown on cricket players' backs) as part of 150th anniversary
- Successful inward investment event with Mervyn King (ex-Governor of the Bank of England)
- A senior Brand Manager had been recruited (previously known as Head of Communications)
- The Council had hosted the Permanent Secretary of the Department for Communities and Local Government, who was local to this area and could be a helpful link to Government
- Improved digital presence

- Improved Fostering marketing (shown by increase in uptake)
- Introduced Innovation Wednesdays
- Shortlisted for 4 prestigious awards

Future plans included to develop:

- and promote case studies, for example on growing businesses in Worcester
- the Worcestershire narrative with the LEP – important for inward investment and further develop relationships with major businesses
- a Return on Investment strategy for events, sponsorship and general marketing to make it clear on what is and is not worth investing in
- a more active strategy on inward investment management, living and destination management
- a more proactive relationship with the local press and more interactive use of social media

The Communications Dashboard went to Cabinet Members' on a monthly basis. It showed monthly data on media coverage and social media. There was now more of a focus on social media as could be seen by the increase in the number of followers of the @worcscc Twitter account, which had increased from 222 to 11,000 followers.

The Directorate had become more efficient and effective, examples included:

- a restructured Commercial and Change Management Team and streamlined management in Democratic Services (to one post)
- improved reporting across the Directorate and increased digital services
- allocated MTFP savings had been delivered
- improved recruitment process and the Child Protection legal process
- reduced the process for making a council service available on line to six weeks.

Future plans included further development of the commercial function, further digitisation of processes, more digital, less paper in all meetings and further savings and stretched targets.

Major Directorate projects

Learning and Achievement – a preferred supplier had been agreed at last week's Cabinet. Next steps were to move to contract finalisation and transfer to the new

supplier.

Place Partnership Ltd – Staff consultation had been completed. A Managing Director had been recruited and had started on Monday. A Board of Directors was in place, the Chairman of which was the Cabinet Office Director. The next stage was finalising accommodation, contracts and management team recruitment. The transfer of staff and launch was planned to take place in September 2015.

Other projects – IT support had been commissioned to HP and the Hub had been commissioned to Civica. The Broadband project was well on the way. The Digital Strategy had been developed with improvements including network refresh and wifi. Business Continuity preparedness was being developed. Unified communications (e.g. Lync) and customer access were also being improved.

The plan was to focus on HR and Finance commissioning in the next few months and launch the Talent Management programme and "Lunch and Learn" sessions. The Performance Management programme was being firmed up. Other plans included innovative spaces to co-design ideas with staff and customers as well as market analysis and improving market capacity.

During the ensuing discussion, the following points were made.

- Opportunities to make savings on contracts happened when a contract was up for renewal or extension. An analysis of the contracts register had showed where contracts end or break. The Director planned to work with Directorates on where savings might be made on each and every contract as it came up for renewal or extension
- Members asked how they would know about contract changes and were advised that some changes might be too small to surface in the public arena, but normal governance processes would be followed for significant changes
- There was a list of all Council contracts which could be accessed by members on SID (the Council's internal website). Guidance on where to find the list of contracts was offered if members wished.
- A member suggested that a routine update to

scrutiny on contract changes might be helpful. Members were reminded that Scrutiny Panels could already investigate the outcomes and quality of a commissioned or contracted out service. Members felt they might not always have sufficient depth of understanding of a service and that a more in depth look would be preferable.

- Members asked how much saving would be expected from Council contracts valued at, for example, £150m and were advised that it was not possible to say as each contract was different. The aim was to negotiate savings of between 1% and 10%. Some businesses were already offering 1% savings. The list of all Council contracts had been put in place last year and the plan was to show the level of savings made on that list.
- Members asked about the Severn Waste Contract and were advised that PFI contracts, once agreed, were very difficult to change later. A good relationship with the contractor was key to making any changes.
- A member advised of a situation where a company had tried to negotiate a 2% reduction annually on a contract, but the contractor had eventually walked away. In response to a question about whether this might be a risk with Council contractors the Panel was advised that it was more of a risk if a contract was with a small or community supplier. A harder line could be taken with larger companies.
- Members felt that the reputation of the Council would be enhanced by, for example, publicising when an event was sponsored by the County Council. The Chairman could raise the profile of an event at little or no extra cost. Brand consistency was important, even if a service was commissioned; the Council was still paying for that service and was responsible for its delivery.
- Members felt that sometimes the Communications Team could be more fleet of foot and that weekly updates to Councillors could be made more interesting and succinct. It was anticipated that the new Brand Manager would encourage a more proactive rather than reactive focus as well as a more flexible approach. Worcestershire County Council had a comparatively small Communications Team and spent little compared to other local authorities.

- Members asked if the aim of the Roadshows in August/September was to ask residents their views on the least worst service areas to cut, as presumably, budget plans would not be formed until later in the year. It was explained that the aim was to have conversations with residents before Corporate Strategy discussions and that questions would focus on what residents thought of ideas, rather than budget proposals. It was hoped that the feedback could be worked into the budget process.
- A Member asked how Members in the Districts of Bromsgrove or Redditch would know whether it would or would not be better to stay with the Greater Birmingham and Solihull Local Enterprise Partnership or the Worcestershire Local Enterprise Partnership, and, whether there was any formal process for Members to find out what was happening in Worcestershire. It was explained that there was a Chief Executive and Leaders Group which could share information. It was agreed that it would be a good idea to look at how Councillors could access such information.
- A Member had been impressed by one of the World Class Worcestershire advertisements. This was all part of the branding to help drive inward investment, and promote Worcestershire as a top destination and had been well received.
- Members asked the Director for his view on what was good and what was more challenging after his first 6 months in post. He advised that Worcestershire had innovative businesses, was a great place to live and provided a good work life balance. The County Council, as an organisation, was very delivery focussed, moving at pace, and could feel uncomfortable. He felt more could be done on innovation and doing things differently such as delivering services through community and social enterprise, so this would be an area of focus.

The meeting ended at 3.45 pm

Chairman

