OPEN

CORPORATE SCRUTINY COMMITTEE

29th March 2004

PRESENT:-

Labour Group
Councillor Bell (Chair), Councillor Murphy (Vice-Chair) and Councillor Stone.

Conservative Group
Councillors Atkin and Mrs. Hood.

APOLOGY

An apology for absence from the Meeting was received from Councillor Mulgrew (Labour Group).

COS/55. **MINUTES**

The Open Minutes of the Special Meetings held on 26th January and 2nd February 2004 and the Minutes of the Meeting held on 9th February 2004 were taken as read, approved as true records and signed by the Chair.

COS/56. **MEMBERS' QUESTIONS AND REPORTS**

The Chair referred to the Corporate Scrutiny Committee's consideration of the budget proposals and the report presented to the Finance and Management Committee. There had been some disquiet that the Scrutiny Committee's recommendations had been noted rather than accepted. Councillor Wilkins, Chair of the Finance and Management Committee had been invited to attend this Meeting to discuss the reasons behind this decision. A copy of the report to the Finance and Management Committee had been circulated and the Chair of the Corporate Scrutiny Committee felt that none of its recommendations were contentious.

Councillor Wilkins was asked to comment and expressed his personal view. He agreed that there was nothing contentious within the report and in fact, only one of the actions proposed was not being implemented. This related to the involvement of the Overview Committee in determining whether to repay the Council's debt. Councillor Wilkins felt that the Finance and Management Committee was adequately informed to take the decision. He then spoke of the relationship between the Overview Committee and Finance and Management as the Policy Committee. He felt that the report was noted because of the perception that the Policy Committee decision would be subject to consideration by the Overview Committee.

As a more general issue, the Chair spoke of the work undertaken by Scrutiny Committees when researching topics and making recommendations to Policy Committees. There was disappointment when Policy Committees merely noted the recommendations made. The Vice-Chair commented that to complete the process, the Policy Committee should provide a response, giving reasons for its decision. It was the role of Scrutiny to ensure open governance. Councillor Wilkins felt that by attending this Meeting he was

providing the feedback to the Scrutiny Committee. He then praised the Council's Scrutiny process and Members agreed that there was a continual learning process.

The Chair commented that the Constitution would be altered to include a requirement for feedback reports to be provided from Policy Committees to Scrutiny and vice versa. The Deputy Chief Executive sought clarity on the way forward to complete this matter and it was suggested that a further report be submitted to the next Finance and Management Committee.

COS/57. **FINANCIAL SERVICES – BEST VALUE REVIEW – UPDATE ON PROGRESS**

The Finance Services Manager circulated a report to provide an update on the implementation of this Best Value Review. In terms of recent developments, the issue of repaying the Council's debt had been reviewed and approved. It was proposed to reintroduce a Members' Finance Briefing and the Officer spoke of a new document to cover the Council's financial strategy and spending plans to 2007. This would form the basis of a Members Awareness Seminar on 21st April 2004.

The Officer then referred to the implementation of the new Financial Management System. The Agresso Business World Package was a Windows based System that was 'web enabled'. The Officer confirmed that this system was used by some 50 to 60 other local authorities within the Country. The new system was a fundamental change in terms of construction and layout when compared to the existing financial systems. Access would be provided for the majority of users via the Council's local intranet. There were two phases to implementation and by 1st April 2004 the key elements would be in place. It was planned to introduce a second phase by 30th September 2004, to include the development of E-procurement. The Officer then spoke of the partnership arrangements with Derbyshire Dales District Council, for which South Derbyshire was hosting their system. The report included a diagram to show the five integrated modules that made up the new Financial Management System. The Officer explained each of the elements:-

- General ledger
- Debtors
- Creditors
- Purchase Ordering and
- The Web

One element that had not been delivered was purchase ordering. The revised system would enable corporate ordering, but because of a delay by the supplier it would provide more time to link this element to the web elements in phase 2 of implementation.

Members discussed the opportunities for future procurement and the Chair questioned those limits and controls that would be put in place. Councillor Atkin sought further information about the phased implementation. The Officer praised staff within his section for the work undertaken.

Consideration was given to the project costing and there had been some savings against the identified budget. It was noted that training was a major cost element. The Officer identified possible further expenditure from the contingency fund to provide a dedicated link to Derbyshire Dales District

Council. Problems were currently being experienced with a slow internet connection, particularly over the lunchtime period. In response to a question from the Vice-Chair, the Officer explained where cost savings had occurred against original budget projections. The Chief Finance Officer spoke of the positive benefits of the partnership arrangement with Derbyshire Dales and he clarified the position on expenditure of the contingency fund. The Finance Services Manager confirmed that it had been necessary for some staff to work overtime, to ensure that the new system was functional and this had been funded from savings on a vacant post. In response to a question from the Chair, it was clarified that the ongoing revenue costs for the Council were substantially below that budgeted.

The Chief Finance Officer reminded the Committee that the Best Value Review also included the Revenues and Benefits Service. He referred to the targets relating to a new software system for this service area and the considerable delays that has been experienced. A revised project plan had been prepared and it was hoped to implement the new software by the end of the year. This was a cause of great frustration and he assured Members of the continual monitoring which took place and efforts to resolve this problem. The Chair questioned whether the government funding was at risk because of the delays and the Officer confirmed this was not the case. No further payments would be made to the supplier until the current problems had been resolved.

COS/58. **CUSTOMER FIRST - UPDATE**

The Chief Finance Officer circulated a report to provide an update on progress and planned future actions. This included the re-location and training of staff within Customer Services and the implementation of a new telecommunications system. The CRM computer system had been implemented with four initial processes documented. It included a computer database with answers to over 500 pre-entered questions. The Chief Finance Officer responded to a question from Councillor Atkin about the compilation of this database. Council uniforms had been selected to provide an appropriate corporate image. The Officer commented on plans for re-modelling of the main reception area. He responded to a question from the Chair about the consolidation of the various Council Receptions. The Deputy Chief Executive added that the proposals sought to improve the Reception Service from a customer viewpoint. Other issues raised included Member and staff briefings on the introduction of Customer First and a review of the Council's corporate image.

The Chair recounted a particular problem with a lack of cover in Housing over lunchtime. The Chief Finance Officer confirmed that the aim of the Customer First Initiative was to provide a responsive service and hopefully to resolve many issues at the first point of contact. An incremental approach would allow further services to be added as time progressed. The Chair questioned the integration of systems to avoid duplication. The Chief Finance Officer felt there was a need to balance the cost of integrating systems against the potential for future savings.

Consideration was given to planned future actions. The Vice-Chair highlighted the setting of customer care standards, involving staff in Customer Services. He felt that there was a need for Member involvement to ensure the standards were challenging. The Chief Finance Officer explained

that the planned approach sought to ensure that staff owned the standards that were being developed. The Officer responded to a question from Councillor Atkin explaining how the CRM system could be developed to respond to additional service areas, such as the changes in liquor licensing laws. Councillor Atkin complained about problems where telephones were not answered. The Officer explained the benefits of the new telephone system, which included voicemail and the capacity to provide greater information to switchboard staff. In response to a further question, he confirmed that Derby City Council had withdrawn from a partnership arrangement and this had resulted in a slight financial benefit to the Council.

COS/59. **IEG STATEMENT - UPDATE**

A report was circulated for the Committee's consideration. This gave an update on the work completed to date. In general, this related to partnership working, links to the NHS Community Trust and providing a stable IT infrastructure and help desk. Progress was reported on a number of specific projects, other priorities and policies.

The Vice Chair pursued an earlier point about problems with bandwidth for internet connections. The Chief Finance Officer confirmed that ongoing monitoring took place. The Vice-Chair also sought further information about the use of 'e forms' and the consultation that had taken place, particularly regarding usability of the 'e forms'. The Chair questioned the percentage of services that were available on-line and currently this stood at approximately 50%. The CRM would have a huge impact on this area, as would e-payments and the new Financial Management System.

The Vice-Chair observed that a lot of information had been presented in the IEG update. However, the document would be even more useful if it included timescales, contact points and which elements were process critical. It was difficult for Members to assess where slippage had occurred and it would be useful to receive future reports with these additional elements included. The Chief Finance Officer referred Members to the Service Plan for the IT Division and the IEG Statement, which provided the detail requested. This document sought to provide a summary for Members information.

The Chair questioned when the Council would be required to produce its fourth IEG Statement and this was anticipated to be October 2004. The Officer spoke also of funding allocations, the costs of delivering target actions and it was planned to submit a further report to the Finance and Management Committee, in due course.

COS/60. **PROCUREMENT STRATEGY**

The Policy and Best Value Manager spoke to a circulated report. Last year, the Council had spent approximately £11m on goods, works and services. This level of spending meant that procurement needed to be approached in a structured way. The Finance and Management Committee agreed the Council's first Procurement Strategy in October 2002. This explained how the Council procured currently and the intentions for the future. Key proposals included the establishment of a Corporate Procurement Group and a Best Value Review of Procurement Structures and Processes. The Strategy included an Action Plan detailing various items for implementation over a 12 to 18 month period. Whilst implementation of the Action Plan had been

delayed, some progress had recently been made on e-procurement, partnering in housing maintenance contracts and the Code of Practice on Workforce Matters.

In the Audit Plan for 2003/04, the District Auditor identified procurement as a 'business risk' and made proposals to 'review the Council's procurement strategy; its impact on procurement practice and the effectiveness of the management arrangements which supported it'. Extracts were provided of the District Auditor's draft report. The need to make progress on procurement had also been recognised in the Corporate Plan, with a 2004/05 milestone of delivering all year one actions that were contained in the strategy. The issue of resources was also being addressed through the current review of the Senior Management Structure.

The Vice-Chair felt that changing the way that the Council procured was linked closely to the new Financial Management System. The Policy and Best Value Manager confirmed this was an element and she touched upon other elements involved including the 'make or buy' decision. In response to a question from Councillor Atkin it was confirmed that no significant progress had been made on implementation of the Action Plan.

COS/61. **CUSTOMER CARE PROJECT – INITIAL FEEDBACK FROM SITE VISITS**

The Chair circulated a draft report and he sought the Committee's feedback. The visit to the Environmental Health Department was still to be documented. It was hoped to submit a report to the Environmental and Development Services Committee at its Meeting on 15th April. He suggested that further visits to departments take place after the Annual Council Meeting. The Chair welcomed input from Members and the Policy and Best Value Manager, in order that the report could be submitted to the April Policy Committee.

COS/62. **ANNUAL REPORT AND WORK PROGRAMME**

The Chair reported that the Scrutiny Committee needed to submit an Annual Report to the Council on the work undertaken over the previous year. A copy of the previous Annual Report was circulated for Members information and the Chair felt that a similar format should be followed for this Annual Report. Assistance was sought from the Policy and Best Value Team and it was agreed that Officers would compile details of those items considered over the last year. In terms of future items, Members might wish to include CPA elements and Corporate Plan issues, to take the agenda forward for the Council.

R. BELL

CHAIR

The Meeting terminated at 6.05 p.m.