

Performance and Finance Select Committee

3 September 2015 – At a meeting of the Select Committee held at 2.15 p.m. at County Hall, Chichester.

Present: Mrs Urquhart (Chairman)

Mr Burrett	Ms James	Mr R Rogers
Mrs Evans	Mrs Kitchen	Mr Tyler
Mr Glennon	Mr Lamb	Mr Waight*

In attendance by invitation: Ms Goldsmith (Leader), Mr Brown (Cabinet Member for Finance) and Mr Lanzer (Cabinet Member for Corporate Relations).

Apologies for absence were received from Mr McAra, Mr Metcalfe, Mrs Millson, Mr Turner and Mr Watson.

* Mr Waight left at 4.00 p.m.

Declarations of Interest

94. In accordance with the code of conduct, the following personal interest was declared:

- Mr Tyler whose wife is a member of UNISON in relation to the Proposal for New Customer Experience item.

Minutes of the Meeting held on 26 June

95. Resolved – that the minutes of the Performance and Finance Select Committee held on 26 June 2015 be approved as a correct record, and that they be signed by the Chairman.

Proposal for New Customer Experience

96. The Committee considered a report by the Executive Director Residents' Services and the Director of Customer Services (copy appended to the signed minutes).

97. The Cabinet Member for Corporate Relations introduced the report and explained that the proposals were seeking to improve the service that customers received from the County Council. The primary focus would be to improve customers' experience and satisfaction.

98. The Executive Director of Residents' Services and the Programme Manager gave a presentation to the Committee which explained the aims of the programme and the planned approach to implementation (copy appended to the signed minutes).

99. The Branch Secretary for UNISON raised concerns from the Union that the proposals needed more detail, particularly in relation to the financial implications, and it was difficult to tell from the report specifically what changes were planned. The Union felt that in house solutions should be considered further and raised concerns on the plan to outsource more services to Capita which was currently under performing. The Union felt that further outsourcing to Capita carried a level of risk for the County Council that needed to be understood in more detail. A document outlining UNISON comments on the Proposal for New Customer Experience was circulated to the Committee in advance of the meeting (copy appended to the signed minutes).

100. The Committee made comments including those that follow. It:

- Queried how customer satisfaction would be monitored to ensure the programme was meeting expectations. – *The Programme Manager explained that this had not been resolved yet. There were various methods that could be used for each type of contact the customer used. Work would be done to establish a baseline which would help plans develop and improve. Other Council benchmarks had been looked at in order to learn good practice and help with the planned improvements.*
- Asked if the planned savings factored in the scenario that customers continued to use various methods of contact. – *The Cabinet Member for Corporate Relations clarified that there would be no compulsion for online transactions and that all channels would be kept open and improved. The Programme Manager noted the vision for a multi channel customer experience set out in the proposal and the requirement that contact was joined up.*
- Sought clarity on Member involvement. – *The Programme Manager explained that All Member development sessions, as agreed with the Member Development Group, had worked to understand the role of members and their involvement in the development of the programme. The programme would involve Members in future work though the approach to this had not yet been clarified.*
- Raised concerns on the lack of evidence in the report and felt it was important to understand how the service was currently running and performing before changes were implemented. – *The Executive Director of Residents' Services explained that the programme would be building on the good service that was currently being delivered and that clear outcomes for the customer had been identified. Call abandonment rates had been identified as a key area needing improvement. The Cabinet Member for Corporate Relations proposed that as the programme was developed it could come back to the Committee for review.*
- Felt the report should contain financial information relating to all the considered options and that the efficiency saving percentage forecasts should also show financial figures. – *The Executive Director of Residents' Services agreed to circulate this information to the committee.*
- Queried if Capita were contributing to any of the costs of the programme and if any plans had been made relating to the Capita contract reset. – *The Executive Director Corporate Resources and Services confirmed that Capita's involvement would be part of a future discussion and that the reset was a separate issue. Capita would be challenged on how they could improve efficiency.*

- Asked how many staff would be affected by the programme, if staff would be relocated to different areas and how staff motivation would be monitored. – *The Executive Director of Residents' Services confirmed that 471 full time equivalent staff in total were in scope. It was acknowledged that some staff would be receptive to learning new skills whereas some could be resistant. A blended approach would be utilised in order to move staff carefully and sensitively. The intention was to have a consistent approach across all services.*
- Asked if an exit strategy had been considered if the proposed benefits were not delivered. – *The Cabinet Member for Corporate Relations confirmed that the programme would be carefully reviewed and refined in order to make sure it was working well. Option 3 would allow the most flexibility.*
- Queried staff training and whether any comparisons had been made with other County Councils and if partnering with district and borough councils had been considered. – *The Programme Manager confirmed that comparisons had been drawn from a number of authorities that also worked with Capita and that more would be done. Staff training would be developed linking with organisational development, values and behaviours work which was on-going.*
- Asked how social work staff would be affected. - *The Programme Manager noted the planned customer journey review and process analysis which would enable a deeper understanding and clarity on the boundary between generic customer service and specialist input. This would be reviewed in detail before any changes were made.*
- Recognised and welcomed the need for improvement but felt in particular that the plans to reduce the blue badge process steps should be further reduced.
- Requested closer working with District, Borough and Parish Councils.

101. The Committee voted on each of the Officer recommendations in the report in turn.

102. Recommendation 1 fell with an equality of votes. The Committee agreed that more financial information was required before it could approve a recommendation to support the development of customer services using the model in the report; specifically in regard to the cost of all the options outlined in the report. The Committee therefore agreed to Recommendation 1 in principle, subject to the presentation of the additional financial information.

103. Recommendation 2 was agreed by a majority, subject to the presentation of the additional financial information.

104. Recommendation 3 was agreed unanimously.

105. Resolved – That the Committee:

- (1) Supports the development of customer services using the model within the report, subject to the presentation of the additional financial information.

- (2) Supports the proposed investment to deliver the foundation for a strategic technology platform and the overall implementation and transition of the in-house customer service function, subject to the presentation of the additional financial information.
- (3) Supports the proposal for piloting new models of Face-to-Face services.

SAP Optimisation

106. The Committee considered a report by the Executive Director Corporate Resources and Services and Director of Workforce, Organisation Development and Delivery Support (copy appended to the signed minutes).

107. The Cabinet Member for Corporate Relations introduced the paper and spoke on the benefits that could be gained from the proposed improvements.

108. The Executive Director Corporate Resources and Services explained that the SAP system was used for all County Council transactions including wages, workforce and budget planning. It was therefore important to improve processes and data output; and reduce the amount of errors in the system. The improvements were particularly important to address the limited assurance rating identified in the Internal Audit – Annual Audit Report 2014/15. It was hoped that work could proceed in order to ensure the new systems were in place for the start of the new financial year in April 2016.

109. The Executive Director Corporate Resources and Services also informed the committee that from April 2017, the County Council would be required to report all late payments. The proposed improvements would help reduce the amount of late payments that were being made.

110. The Committee made comments including those that follow. It:

- Queried the cause of late payments and how the improvements would help to reduce them. – *The Executive Director Corporate Resources and Services reported that an assessment had shown that the various timescales in the current system sometimes made it difficult to process payments in a timely manner. It was estimated that 75% of the late payments were caused by system issues, with 25% being human error. The proposed improvements would seek to resolve the system issues and staff training would be utilised to reduce the human errors.*
- Asked if the further reliance on technology was a risk and what backups had been considered. - *The Business Systems Architect confirmed that the current IT system was housed at Chichester with a backup in Horsham; this would continue and provide the necessary backup to the proposed improvements. Manual contingences had also been considered, such as paper systems, which could be utilised in emergency situations.*

- Queried what lessons had been learnt from previous SAP installations. Concerns were raised that SAP had been customised too much and that eventually SAP would need completely replacing. – *The Executive Director Corporate Resources and Services confirmed that SAP was a system that had been built based on vast experience and so was the right system to be using. Work was needed to remove the West Sussex customisation and bring the system up to the latest version. Advice had been sought from Surrey County Council to consider the various ways SAP processes could be utilised and refined.*
- Asked if Capita would benefit from the improvements and therefore contribute towards the costs. - *The Executive Director Corporate Resources and Services confirmed that the improvements in SAP had been considered as part of the Capita contract reset. When Capita saw the benefits of the improvements they would be expected to contribute.*
- Queried the cost of licenses and if they would be one off purchases or regular subscriptions. - *The Business Systems Architect confirmed that licenses were a one off purchase and gave the example that 30 licenses would cost approximately £80,000.*

111. Resolved – That the Committee:

- (1) Supports the objectives and approach of the programme.
- (2) Requests an update in a year on the system improvements.

Total Performance Monitor

112. The Committee considered the Total Performance Monitor (TPM) for the end of June by the Executive Director Corporate Resources and Services (copy appended to the signed minutes).

113. The Committee also considered a preview of the TPM for the end of July which had been tabled at the meeting (copy appended to the signed minutes).

114. The Cabinet Member for Finance introduced the reports which set out the County Council's performance and risk position as at the end of June and July 2015 respectively. It was confirmed that the June TPM had reported a saving in the cost of bus fares due to an over estimation in the forecasting of the costs.

115. The Committee made comments including those that follow. It:

- Queried if the multi-disciplinary team was expected to run for three years. – *The Executive Director Corporate Resources and Services confirmed that the need for a third year would be assessed nearer the time.*
- Asked if the plans for commissioning demonstrated a need to be flexible in order to help with cuts. - *The Executive Director Corporate Resources and Services confirmed flexibility was needed but raised concerns that some preventative works could lead to costs in other areas.*
- Raised concern that the target for apprenticeships was lower than previous years. - *The Executive Director Corporate Resources and Services agreed to provide background to the Committee to explain the target for apprenticeships.*

116. Resolved –

- (1) That the Monitors be noted.

Forward Plan of Key Decisions

117. The Committee considered the Forward Plan of Key Decisions September – December 2015 (copy appended to the signed minutes).

118. The Forward Plan of Key Decisions October – January 2016 was tabled at the meeting, as it had been published following the dispatch of the agenda (copy appended to the signed minutes).

119. The Committee made comments including those that follow. It:

- Queried if the Children and Young People's Services Select Committee (CYPSSC) would be scrutinising the Think Family Programme. – *The Chairman of CYPSSC confirmed that their committee supported the programme and felt that scrutiny up to 2020 would not be necessary.*
- Asked if the decision on the A259 Corridor Improvement Project was within the Capital Programme. – *The Leader confirmed that the project was in the Capital Programme and that a decision would not be taken until after the County Council item on 30 October.*

Date of Next Meeting

120. The Committee noted that its next scheduled meeting will take place on 2 October 2015 at 10.30am at County Hall, Chichester.

The meeting closed at 4.50 p.m.

Chairman.