

Performance and Finance Select Committee

6 November 2013 – At a meeting of the Select Committee held at 10.30 a.m. at County Hall, Chichester.

Present:	Mrs Urquhart (Chairman)	
Mr Burrett	Mrs Millson	Mr Waight
Mr Glennon	Mr Patel	Mr Watson
Ms James	Mr Rae	Mrs Whitehead
Mr Lamb	Mr R T Rogers	
Mr Metcalfe	Mr Turner	

In attendance by invitation: Ms Goldsmith (Leader), Mr Brown (Cabinet Member for Finance) and Mr Tyler (Chairman of Environmental and Community Services Select Committee).

Declarations of Interest

68. None declared.

Minutes

69. Resolved – that the minutes of the Performance and Finance Select Committee held on 4 October 2013 be approved as a correct record, and that they be signed by the Chairman.

Governance of Contracts

70. The Committee considered a report by the Director of Service Operations (copy appended to the signed minutes).

71. The Director of Service Operations and the Head of Contracts and Performance introduced the report which gave an update on the progress on Contract Management since the report to the Policy and Resources Select Committee in October 2012.

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

- Queried the scope the Council has to review and make changes to current contracts. – *The Head of Contracts and Performance confirmed that the council is permitted to make certain contract variances and terminate contracts that are in breach of contract. There is also the option to have an open conversation with suppliers in order to identify flexibility in the contract to satisfy the need. The Director of Service Operations also confirmed that the council has built processes into the commissioning cycle that encourages extra negotiation for outstanding contracts. Suppliers should now be aware of the higher expectations on public sector contracts.*
- Queried how contracts for Adults Services were being included in this process. – *The Head of Contracts and Performance confirmed that work was on-going to understand the Section 75 agreement and manage a more integrated approach.*

- Queried the level of Officer expertise and training for the commercial marketplace to ensure that effective negotiation is achieved. The subject of training for Members was also discussed so that members would be able to successfully fulfil their expected involvement in commissioning. – *The Director of Service Operations confirmed that training was in place for officers to understand the impact of successful negotiation in this market and that a stronger officer infrastructure was now in place for contract management. The Leader confirmed that the role and training for members would be developed.*
- Queried how the resource implications on Partnership Boards would be handled. – *The Cabinet Member for Finance confirmed that Partnership Boards were effective for high value contracts to maintain effective working; particularly in the case of the CAPITA contract to continue the good service and savings.*
- Raised concern that large contracts could create ‘monopoly suppliers’ in areas such as health and social care and queried the scope this left for competition in the market. – *The Head of Contracts and Performance assured the committee that work was planned to help to develop the markets and that suppliers were being made aware that long-term contracts were not definite.*
- Queried how maverick spending is being challenged. – *The Director of Service Operations explained how the controls put in place for the ‘One Way To Buy’ procedure have helped with this.*

73. Resolved – That the direction of travel be welcomed with a request that:

- (1) Effective staff training continues to be a priority.
- (2) Members to receive training to understand their role in contract management.
- (3) The Director of Service Operations will liaise with the Committee’s Business Planning Group (BPG) on future progress and governance issues.

The Approach to Commissioning – Proposed Key Principles and Response to New Legislation

74. The Committee considered a report by the Director of Strategic Development and the Head of Procurement and Contract Services (copy appended to the signed minutes).

75. The Director of Strategic Development and the Head of Procurement and Contract Services introduced the report and gave a presentation (copy appended to the signed minutes) updating the Committee on the overriding principles for how the Council commissions and the impact of recent requirements from legislation.

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

- Welcomed the idea that communities were at the heart of the commissioning cycle but raised concerns on how a blanket approach would suit varied communities. – *The Director of Strategic Development*

confirmed that the new Stronger Communities initiative would involve working with local communities to understand their individual needs.

- *Raised concerns that securing contracts now could inadvertently remove competitors that the council may wish to deal with in the future. – The Director of Strategic Development explained that the council needs to understand market dynamics in order to motivate the market which would in turn remove barriers for smaller businesses. The Cabinet Member for Finance confirmed that the council always tried to support local businesses where possible but had to use large companies where appropriate in order to improve efficiency and receive greater value. The Leader confirmed that the council made every effort to avoid unintended consequences. It was also confirmed that the Carillion contract was obligated to work with local businesses.*
- *Queried the timetable of the Community Right to Challenge programme and whether it would restrict interested parties. - The Head of Procurement and Contract Services admitted that elements of the legislation were cumbersome but confirmed that whilst some parts were bound by legislative timescales, they would always welcome dialogue with interested parties to encourage improved outcomes and co-designed services.*
- *Understood the shift to digital services but raised concerns that systems must be intuitive, simple to use and secured against digital threats. They also must not isolate those who do not have access to IT, such as some elderly communities. – The Director of Strategic Development confirmed that extensive work was being done to understand the needs of all users. Behavioural science was being employed to recognise and meet the shift in people's use and needs of services. It was also confirmed that significant work and resources were employed to address security requirements.*
- *Queried if elements of the Social Value Act could help towards ensuring work placements/experience for Children Looked After and Care Leavers (CLA). - The Head of Procurement and Contract Services confirmed that as suppliers work on behalf of the Council, they could offer these placements on the Council's behalf to CLA.*

77. Resolved – That the proposed decisions be supported, subject to the Committee's comments on the following aspects:

(a) Commissioning Strategy

- i. The Committee is supportive of the programme but would like concern of unintended consequences to be considered.
- ii. The Health and Social Care Select Committee is asked to look into how the social care market could be developed to encourage greater choice of providers.

(b) Digital By Default

- i. The service must be made easy to use by all kinds of customer.
- ii. The service must be designed properly from interface to delivery.

- iii. Community centres and other appropriate venues should be encouraged to make IT accessible for everyone in the community by ensuring no one is excluded.
- (c) Social Value Act
 - i. The Council must be supportive of CLA and children not in Education, Employment or Training (NEET) with Work Experience/Placements opportunities embedded into contracts.
 - ii. The Act should be used to help stimulate local economy.
- (d) Community Right To Challenge - The Council's approach is supported.

Total Performance Monitor to September 2013

78. The Committee considered a report by the Director of Finance and Assurance (copy appended to the signed minutes).

79. The Cabinet Member for Finance introduced the report which set out the County Council's performance and risk position as at the end of September 2013. It was confirmed that all portfolios were either on or under budget, with the exception of Adult Services which is currently forecasting an overspend.

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

- Queried the publicity of the Community Highway Volunteers (CHVs) and if an improved approach would encourage more volunteers. The idea of offering this work as a paid activity to encourage young people to contribute to society was also discussed. – *The Cabinet Member for Finance agreed that the programme needed better publicity. An incentive scheme could be offered to encourage more volunteers of all ages, rather than employed service.*
- Queried if the 32% rise in gas usage is a sign of poor insulation of Council facilities.
- Queried the implications of the Street lighting Contract on finance and emission figures. – *The Director of Finance and Assurance agreed to provide a full briefing note to committee members.*
- Queried if it was correct to label delayed spending as underspend as this could create misleading figures. – *The Director of Finance and Assurance explained that the report shows a broad picture of the current standings and the report would be too lengthy if full detail was used throughout.*
- Queried the Adult and Social Care budget and how the council claims back funding from the National Health Service (NHS). – *The Director of Finance and Assurance confirmed that the Health and Wellbeing Board works closely with the NHS to monitor this situation.*

81. Resolved –

- (1) That the Monitor be noted.
- (2) The Cabinet be recommended to re-launch the Community Highways Volunteer programme with improved publicity.

- (3) The Director of Finance and Assurance be asked to show a clearer explanation and impact of underspends and slippage in future TPM reports.
- (4) The Health and Social Care Select Committee be asked to monitor the overspend in the Adults' Services Portfolio.
- (5) The Director of Finance and Assurance be asked to provide members with an informal briefing note regarding the street lighting contract including the implications of slippage on both finances and emissions.

Select Committee Work Programme

82. The Committee considered a report by the Director of Finance and Assurance and the Head of Law and Governance (copy appended to the signed minutes).

83. The Service Manager for Democratic Services introduced the report which outlined the service select committee's work programmes and the Task and Finish Group (TFG) programme.

84. The Committee was supportive of the proposed work programmes but proposed the following amendments:

- The Broadband item be merged with the Kick Start programme and a project day be considered to look at the item.
- The Ageing Population item should be incorporated into all Equality Impact Reports rather than becoming a TFG.
- Joint Scrutiny with district and borough councils was encouraged to investigate the impact of housing on all services.
- Readiness for School should be a separate TFG from Think Family.
- The Environmental and Community Services Select Committee was encouraged to utilise its project days to tackle its heavy workload.

85. The Chairmen of the Select Committees were asked to prioritise the resulting work programme for TFGs.

86. All members were encouraged to attend Child and Adolescent Mental Health Services (CAMHS) member briefing on 14 November 2013.

87. Resolved –

- (1) That, subject to the amendments set out in minute 84 above, the proposed work programme be supported.
- (2) The Chairmen of the service select committees to meet to prioritise the TFGs in the work programme

Forward Plan of Key Decisions

88. The Forward Plan of Key Decisions December 2013 – March 2014 was tabled at the meeting, as it had been published following the dispatch of the agenda (copy appended to the signed minutes).

89. The Forward Plan was noted.

Date of Next Meeting

90. The Committee noted that its next scheduled meeting will take place on 4 December 2013 at 10.30am at County Hall, Chichester.

The meeting closed at 2.25 p.m.

Chairman