

Economy and Business Improvement Overview and Scrutiny Committee

Monday, 23rd May, 2011
Pittville Room
6.00 pm

Attendees	
Councillors:	Malcolm Stennett (Chairman), Garth Barnes, Tim Cooper, Paul Massey (Deputy Chair), Paul McLain, Lloyd Surgenor, Andrew Wall, Peter Jeffries and Jon Walklett
Also in attendance:	Jane Griffiths, Councillor Steve Jordan, Councillor Colin Hay and Councillor Roger Whyborn

Minutes

1. APOLOGIES

Apologies were received from Councillor Pat Thornton and Councillor Rowena Hay was in attendance as her substitute.

2. DECLARATIONS OF INTEREST

None declared.

3. MINUTES OF THE LAST MEETING

The minutes of the last meeting of the 7 March 2011 were agreed as a correct record.

4. PUBLIC QUESTIONS AND PETITIONS

None received.

5. MATTERS REFERRED TO COMMITTEE

None.

6. BRIEFING FROM CABINET MEMBERS

The Leader informed members that after a long process the formation of a Gloucestershire Local Enterprise Partnership (LEP) had been agreed. He would be meeting the new chair and David Owen from Gloucestershire First to discuss the partnership.

Regarding the future of the council's Economic Development service, he was keen to continue their work in supporting economic development in the town despite the recent loss of staff. This was important in the tough economic climate and he hoped that some funding might be available to support this work from the new homes fund and underspends from the LABGI funds. One option

being considered was a fund which people could bid for if they were planning an event which would support the economy of the town, possibly with a quarterly bidding process. In response to a suggestion from a member he confirmed that an event around the Queen's Jubilee celebrations in 2012 could be considered as an option. If event funding was to be a recommendation it would form part of the outturn report coming to Council in June but he would welcome any feedback from members in the meantime on this issue.

The Cabinet Member Corporate Services updated members on the GO Programme, a partnership of four councils and Cheltenham Borough Homes working together to develop a shared service for Finance, Procurement, Human Resources and Payroll. The programme was due to deliver savings and improvements in service delivery. For Cheltenham Borough Council the original business case estimated that the programme was due to deliver a net saving of £0.9 million over 10 years. Copies of a presentation were circulated at the meeting.

The Cabinet Member reminded members that it had been agreed that the ICT Support centre of excellence would be hosted by Cheltenham Borough Council. Similarly the Chief Executives had decided by mutual agreement that Cotswold District Council would host the GO shared service. This was currently going through a due diligence process. He anticipated that in two years time this could be established as a separate company, subject to a sound business case. He reported that the whole programme was on time and budget though there had been one-month slippage due to delay in decisions being taken in some councils following the elections.

The Cabinet Member explained that key decisions on the programme would be taken in July by Cabinet and Council and prior to that, the report would be coming to this committee on the 18th of July. This was an opportunity for members to raise any questions or request any additional information they would like at the July meeting.

In response members made the following points:

- Was it likely that more investment would be needed in business change to support the programme?
 - The Cabinet Member responded that an additional £26,000 had been put into the business change budget to prepare staff for the major changes they would be going through. This had been supplied from the capacity building fund agreed by Council.
- Was there a danger that requirements would be watered down in order to satisfy all partners?
 - The Cabinet Member said that there was a high degree of trust between the partners so some aspects did not need to be detailed out at this stage. Generally all staff working on the programme had a very good rapport.
- The report in July needed to be clear on the outcomes of the programme and how success would be measured in five years time.
 - The Cabinet Member noted this request and said that the report would also cover the additional opportunities for joint savings in such areas as procurement. The Chief Executives were keen to accelerate the program to drive out these savings.

- How would members scrutinise the delivery of services for CBC from the shared service?
 - The Cabinet Member reassured members that information relating to this council could still be reported and there would still be a Cheltenham Borough Council Cabinet member responsible for it. However he acknowledged that the scrutiny arrangements may need to change to accommodate overview and scrutiny in a commissioning council in the most effective way. This was the subject of a review of the scrutiny which had just been initiated.

The Chair thanked the Cabinet Member for the update and asked the points made by members to be taken into account when reporting back in July.

7. REVIEW OF SICKNESS ABSENCE

The HR Operations Manager introduced the report which had been circulated with the agenda. The report provided an overview of the council's approach to managing and monitoring sickness absence. It described the significant work carried out by HR to improve sickness reporting and outlined the role of the council's Sickness Absence Management Policy and Procedures introduced in 2006.

This was due to be reviewed with the aim of reducing the trigger points. She also stressed the importance of supporting staff in what were currently quite stressful times with ever increasing pressure on resources.

The Council had a corporate target to reduce sickness absence to 8 days per full time equivalent employee for the financial year 2010/11. She advised that the absence rate outturn for the 12 month period to 31st of March 2011 was below target at 9.45 days, an increase over the previous year of 0.45 days. However, if the depot sickness absence figures were taken out then the average for the remaining divisions would be 6.1 days. The report explained that that the ageing workforce and nature of the work of staff based at the depot was a factor and further work was being done to identify what support the council could offer to those employees.

Members made a number of comments/questions and the responses from the HR Operations Manager are set out:

- Para 2.9: A member questioned the use of the term 'unsurprisingly' in relation to sickness absence being lower in the private sector?
 - This was a well established industry statistic
- Para 2.10: why should the average cost of absence be higher in the public sector than the private sector?
 - Historically public sector employees have a more generous sickness pay scheme, set out in local government national terms and condition of employment.. In the private sector, statutory sick pay is the norm and some employers do not pay for the first three days of sickness absence. In the public sector, with the exception of statutory services provided at the depot, there is no backfill when employees are off due to sickness. Managers spend a lot of their time managing absence and the shortfall.
 - The Cabinet Member Corporate Services highlighted that any changes in this area would require some difficult negotiations with trade unions.

- Para 2.11: Why is it not possible to estimate the cost of absence, even approximately?
 - It is possible to provide crude estimates but this does not take into account lost productivity and the impact of the remaining employees.
- Para 3.1: Should the target be more challenging and closer to the private sector average?
 - The absence policy is to be refreshed and as part of this work we will work with TU colleagues to discuss and agree lower trigger points and targets
- Para 3.8 : without further analysis being done is it an inherently unfair statement that an ageing workforce is the underlying cause of the high sickness absence?
 - There is evidence for this statement and her experience and that of the HR team was that the majority of staff at the depot going through the sickness absence process were over 50.
- Given that 44% of the depot's operation's workforce are over 50 years of age, is succession planning being looked at?
 - Yes
- Para 3.9: the table would be more informative if the average days expected were also listed
 - Noted
- Para 3.9: There does not appear to be an increase in stress, depression, anxiety disorders arising from increasing pressure on staff during financial crisis. Have officers considered that there may be a seasonal trend in this?
 - This is being monitored very closely. as all staff going through a period of major change. L&OD colleagues have devised training sessions to help employees through change.
- Para 3.14: can officers confirm that massage sessions to improve well-being of staff have not been at the expense of council tax payers?
 - No, staff pay for this service and there is no cost to the council.
- Line Managers must have prime responsibility for managing sickness absence in their teams.
 - Very much so but they currently rely on HR to supply the information. The implementation of GO and the shared platform will enable managers to have real time information relating to sickness and their employees readily available on their desktop.
- Can this committee receive absence information on a quarterly basis, highlighting trends rather than too much detail but with a financial assessment of days lost due to sickness?
 - Quarterly information was formerly reported to the Staff and Support Services Committee and this is now reported to the Joint Consultative Committee along with Health and Safety reports which are closely related.
 - The Cabinet Member Corporate Services questioned whether the full committee was the best way of reviewing the information. He agreed to circulate the previous 12 months quarterly reports and would be happy to arrange a session with interested members, himself and HR to discuss any issues arising and clarify the format of any report that scrutiny required. He also felt

strongly that information on sickness must be reviewed alongside health and safety reviews and action plans.

The chair concluded that sickness absence was a concern and members hoped to see actions being taken which would reverse the trend in absenteeism.

Resolved that the committee will receive a summary report in six months time which will pick up on the topics raised at this meeting.

8. DRAFT COMMITTEE 2011-12 WORK PLAN AND EFFECTIVENESS OF SCRUTINY

The Director of Commissioning introduced the report which had been circulated with the agenda. They report invited members to comment on the committee's draft work plan for the coming year set out in Appendix 2. It also invited members to comment on the general effectiveness of scrutiny and make any suggestions for improvement.

Councillor Massey referred to risk 29 in the council's Risk Register concerning information management and requested that the committee receive an update on the information strategy.

In response to a question about when the 12 month review of the Gloucestershire Airport business plan was due, the Director of Resources advised that there had been a delay due to the complications regarding Blenheim House. These had only recently been concluded and so the 12 month review would be due from that date.

Members had some discussion regarding the briefing note which had been circulated on mobile telephony and whether it was a topic for further scrutiny. The chair also referred to some exchange of a communication regarding a Freedom of information request on this topic but he advised that the majority of questions had probably now been answered.

It was felt that the briefing note had raised some questions and it was appropriate for this committee to ensure that the council was getting best value from their use. They decided to extend the topic to include mobile communications but would not be getting into the sort of detail covered in the freedom of information request.

Commenting on the effectiveness of scrutiny, Councillor Peter Jeffries suggested that this committee should receive more financial information in its reports rather than words and there should be more focus on the economic aspects of any issue.

Councillor Massey suggested that the full committee was in a good position to give feedback on items it received on a regular basis. With the introduction of commissioning there was a broader question regarding whether smaller task and finish groups would be more effective.

Resolved that the workplan 2011/12 be agreed with the additions requested at this meeting

9. CORPORATE RISK REGISTER

The Director of Resources introduced the report which had been circulated with the agenda. The council had acknowledged that members need to be aware of the corporate risks which may impact on the council and the decisions it takes.

The risk register had been updated by the Senior Leadership Team in May and set out progress against mitigating actions. Members were asked to consider the document before it went to Cabinet and identify any additional risks or actions to be brought to Cabinet's attention.

Councillor Wall welcomed the improved format of the report but was concerned at the number of red risks scoring more than 16 and particularly some of the high scores for likelihood.

In his response, the Director of Resources indicated that the scores represented a snapshot at a particular time and a number of mitigating actions had already progressed. He acknowledged that in future the committee should be provided with a more up to date report detailing any improvement actions taking place. He provided the following additional updates on specific risks:

- Risk 1 - At that time there had been huge pressure on payroll resources but since then more work had been done to address this issue.
- Risk 5 – a significant amount of work had already been done to ensure the council has robust business continuity plans for all its services but the team was aware of a weakness in the testing of ICT systems. A major exercise is being planned in the summer to test the recovery of 25 major systems which would include ICT and the service teams.
- Risk 9 – the dependence between the waste project and GO had been identified and further work has since been undertaken.
- Risk 23 – acknowledged that an 'emerging' car parking strategy was too vague and deadlines for finalising the strategy need to be included.
- Risk 32 – at the time, Gloucestershire airport was in the final stages of completing the deal regarding Blenheim House which was delaying the project. This deal has now been concluded satisfactorily and so work at the airport could now get started.

RESOLVED THAT:

1. **The Corporate Risk Register be noted and is brought back before to this committee in September giving an up-to-date view of the current position.**

10. COMMISSIONING PROGRAMME - UPDATE AND SETTING PRIORITIES

The Director of Commissioning introduced the report which updated members on the commissioning process and set out a commissioning timetable for future reviews. The report was intended to facilitate a discussion by members to determine what information they need at future meetings to ensure that the council delivers its ambition to be a commissioning council and how it will measure its success.

In the discussion that followed, members thought that the exercise to prioritise potential commissioning projects was useful and highlighted areas for further

investigation. They questioned why the three commissioning projects currently in progress were not included in the table as it would have been interesting to see how they were assessed. As this committee was concerned with carrying out scrutiny of the commissioning programme at an overview level, it needed information on costs of each commissioning project and potential savings so that these could be monitored. They would also seek reassurance that commissioning exercises were operating in a consistent way using the appropriate guidelines.

The scope of any commissioning exercise should be kept as broad as possible with a focus on partnerships and there was also a need to think outside the box. Housing was given as an example where the council should not think of itself as just a housing supply provider but should be tapping into the community priorities arising from new legislation and the commissioning health service agenda. The council should also be alert to opportunities for its services to be commissioned by others or take on new responsibilities. A good starting point would be some of the targets in the corporate strategy where the council was not currently directly responsible. There was a question as to how the services identified as part of a low carbon commissioning exercise would be picked up.

In response, the Director of Commissioning acknowledged that these low carbon initiatives needed to be housed within the commissioning programme. She advised that the member working group looking at housing would indeed be looking at welfare reforms and potential partnership working with health providers. Leisure@ had already identified some opportunities for GP referrals and this was a good example of commissioning in action.

The Cabinet Member Corporate Services highlighted that a review of scrutiny had been initiated to ensure that the council's scrutiny arrangements were in the best position to support a commissioning council.

Resolved that the committee should receive a further update in six months time

11. DATE OF NEXT MEETING AND FUTURE AGENDA ITEMS

18 July 2011.

12. BRIEFING NOTES

A briefing note on mobile telephony had been circulated with the agenda.

Malcolm Stennett
Chairman