

DURHAM COUNTY COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of the Scrutiny Committee for Corporate Management Issues held at the County Hall, Durham on **Monday 24 May 2004** at **10.00 a.m.**

Present:

Councillor C Robson in the Chair

Members:

Councillors J Armstrong, Blenkinsopp, Firby and M Hodgson.

Other Members:

Councillors Dormer, E Hunter, Pye and Watson.

Cabinet Member:

Councillor Myers.

Apologies for absence were received from:

Councillors T Forster, Martin, Nicholls, Stradling and Thompson.

A1 Minutes

The minutes of the meeting held on 23 February 2004 were confirmed as a correct record and signed by the Chairman.

In relation to BV174 the number of racial incidents, the increase had been attributed to a change in the system used to record racial incidents which is recording the information more effectively.

A2 Best Value Performance Indicator - Creditor Payments

The Sub-Committee considered a report of the County Treasurer responding to the Sub-Committee's request for information on progress with the Best Value Performance Indicator which requires payment of creditor invoices within 30 days of the date of receipt of the invoice (for copy of Report see file of Minutes).

Stuart Crowe, Treasurer commented about the effectiveness of this Performance Indicator by highlighting that the objective of the authority is to pay suppliers within 30 days, but also not to pay too quickly as this would adversely affect the cashflow of the County Council. In addition although nationally the BVPI target is 100% is unrealistic. The authority are members of a CIPFA Benchmarking Club for creditor payments and statistics confirm that in 2003 the national average for County Councils in the Benchmarking Club was 91% compared with the authority's 89%.

He highlighted that he considered that a significant reason for the apparent shortfall in performance is in fact cosmetic as the BVPI measures time from the date of receipt of the invoice to the date of payment. Many authorities including Durham do not record the date that an invoice is received and we assume that it takes 2 days from the suppliers invoice date to the date of receipt by the County Council, however other authorities may be more generous in their assumptions.

He continued that in order to improve performance the authority is enhancing the automation of processes as approximately 65% of invoices are received by the County Council electronically.

In addition, the process of verifying and paying suppliers' invoices is a task jointly shared between Service Departments and Treasurer's, with regular Performance Meetings being held.

Councillor Robson requested clarification about the process undertaken, if an invoice went to the wrong Service Department, was this adding to the delays within the system?

Stuart Crowe confirmed that currently invoices go to Service Departments for processing before they are passed to the Treasurers for payment although this process is currently being looked at.

Councillor Armstrong asked when an invoice is queried, does it still form part of the Performance Indicators?

Stuart Crowe responded that if there is a significant error on the invoice then the 'clock is stopped' however if the error is minor then the invoice would still form part of the Performance Indicators figures.

Councillor Armstrong continued by questioning whether discount is given by suppliers to the authority for payment of invoices.

Stuart Crowe responded that the authority had previously taken advantage of such offers however such schemes will be explored through corporate procurement.

Ian Mackenzie emphasised that members were concerned that the authority had moved from the second quartile to the third quartile and he questioned as to whether the Authority would be moving back into the second quartile?

Stuart Crowe responded that steps are being taken to refine processes with the aim of improving the authority's position as regards the quartile.

Resolved:-

That the report be noted.

A3 Best Value Review - Business Support Services

The Sub-Committee considered a report of the Head of Overview and Scrutiny together with a presentation given by Andrew North, Deputy Chief Executive (Corporate Services) concerning the current position relating to the Best Value Review of Business Support Services (for copy of report and slides of presentation see file of Minutes).

During the presentation the following issues were highlighted:-

- Business Support Service Review
- Overall objectives
- Services being considered
- Required steps
- Recommendations - Design and Print Services
 - Property Services
 - Finance and Administration
 - People Management
- Emerging Possibilities - Overall Structure
- Appraising the Service Delivery Options
- Market Survey - purpose
 - Findings
- Other lessons
- Commissioned Service Arrangement
- Risk Analysis
- Future Proofing
- Next Stages

Councillor Robson commented that the content of the presentation was excellent giving details to members about the existing services, the problem areas and how these problems may be resolved. He continued that the public want to see streamlined organisations with reduced administration and management. He then asked how long these proposals will take to implement.

Andrew North responded that where a clear way forward has been identified then the process of change has already started, although he highlighted that where more fundamental change was involved then the process could take up to five years.

Councillor Armstrong asked whether the Strategic Alliance is delivering the anticipated savings.

Andrew North responded that a specialised team had been established to drive forward the work of the Alliance. In relation to savings these are now being delivered particularly in relation to large scale projects.

Councillor Firby commented that in relation to Spend to Save Initiatives, how will this affect the quality of the service provided.

Andrew North responded that under these initiatives there is a need to ensure that the quality of the service is not affected. He emphasised that the whole purpose of Spend to Save Initiatives is to ensure the provision of a better service.

Councillor Armstrong commented that he saw the appointment of an Efficiency Manager as an important way forward as it provides a focus for improvement.

A4 Work Programme

The Sub-Committee considered a report of the Head of Overview and Scrutiny giving an update on the work programme for the Sub-Committee (for copy see file of Minutes). Ian Mackenzie commented that the main area of work to be undertaken by the Sub-Committee would be in relation to the Budget process and requested that the determination of the Work Programme for the Sub-Committee be left to the Chairman of the Sub-Committee in consultation with the Head of Overview and Scrutiny.

Councillor Armstrong commented that in relation to the performance of the Strategic Alliance there may be a need for this to be looked at by a Scrutiny Working Group.

Resolved:-

That the report be noted and the Sub-Committee agreed that the Chairman and Vice-Chairmen determine any future projects for consideration.

A5 Forward Plan

The Sub-Committee considered a report of the Head of Overview and Scrutiny with updated details of the sections of the Council's Forward Plan falling within its jurisdiction (for copy of report see file of Minutes).

Resolved:-

That the report be noted.