

DURHAM COUNTY COUNCIL

CORPORATE ISSUES OVERVIEW AND SCRUTINY COMMITTEE

At a Meeting of **Corporate Issues Overview and Scrutiny Committee** held in **Committee Room 2, County Hall, Durham** on **Monday 20 April 2015** at **9.30 am**

Present:

Councillor J Lethbridge (Chairman)

Members of the Committee:

Councillors J Armstrong, L Armstrong, G Bleasdale, K Henig (Vice-Chairman), J Hillary, E Huntington, N Martin, P Stradling, L Taylor, M Wilkes, S Wilson and R Young

1 Apologies

Apologies for absence were received from Councillors J Alvey, P Crathorne and T Smith.

2 Substitute Members

No notification of Substitute Members had been received.

3 Minutes

Councillor M Wilkes referred Members to Minute 6, 23 January 2015, page 5 of the agenda pack. Councillor M Wilkes noted at the former City of Durham Council he was Chairman of the Policy Scrutiny Panel and added that the work of that Panel had noted the introduction of an external agency for the recording sickness absence had impacted positively on sickness figures. Accordingly, Councillor M Wilkes felt the statement at paragraph 5 of page 5, that the results had not changed at the City of Durham following the implementation of the external system, was incorrect.

The Head of Planning and Performance, Jenny Haworth noted that evidence would be gathered as part of the ongoing review and Councillor J Armstrong added that best practice from comparable organisations would be looked at as part of the review.

The minutes of the meeting held on 23 January were confirmed as a correct record and signed by the Chairman with the following amendment:

Minute 6, paragraph 5 of page 5 of the agenda pack; to include a sentence to read: 'Councillor M Wilkes noted that the introduction of an external agency at the City of Durham Council had made a positive impact on sickness absence.'

Matters arising

The Head of Planning and Performance referred to Minute 5, page 2 of the agenda pack and noted that Members' comments on the Medium Term Financial Plan (MTFP) had been fed back to Cabinet and Council via the Chairman of Overview and Scrutiny, Councillor J Armstrong. In relation to Minute 6 page 6, it was noted that the proposed review of Sickness Absence was included at Item 10 of the agenda.

The Committee noted the query raised by Councillor J Hillary relating to costs as set out under Minute 7, page 6 of the agenda pack and learned that the answer had been provided to Councillor J Hillary direct.

The Head of Planning and Performance referred to the discussions at the January meeting as regards anonymised information relating to financial settlements awarded by the Local Government Ombudsman being provided to Members. It was explained that the issue had been referred to Head of Legal and Democratic Services.

The Head of Planning and Performance noted that in reference to Minute 8, page 7 of the agenda pack, the issue raised by Councillor M Wilkes in respect of information on a High Court decision had been referred to the Legal Services. Councillor M Wilkes noted he had met with the Portfolio Holder to discuss the matter, but added that the wider issue was that of Members being made aware of important issues in advance of them appearing in the local press.

Councillor J Armstrong noted that it was important that Members were kept apprised of issues and added that the Planning Section contacted relevant Local Members in respect of any emerging planning issues.

4 Declarations of Interest

There were no Declarations of Interest.

5 Report on the Council's use of powers under the Regulation of Investigatory Powers Act 2000 - Quarter 3 - 2014/15

The Committee considered a report of the Head of Legal and Democratic Services which informed Members about the Council's use of powers under the Regulation of Investigatory Powers Act 2000 (RIPA) during the period 1 October 2014 to 31 December 2014. The Property, Planning and Projects Manager, Legal Services, David Taylor explained that there were three new directions and two Covert Human Intelligence Source authorisations.

Resolved:

That the content of the report be noted.

6 Quarter 3 2014/15 Performance Management Report

The Chairman thanked the Corporate Scrutiny and Performance Manager, Tom Gorman who was in attendance to speak to Members in relation to the Quarter 3, 2014/15 Performance Management Report (for copy see file of minutes).

Councillors noted that some of the key achievements in Quarter 3 included: better than target performance sustained for both new benefit claims and change of circumstance; more customers seen at Customer Access Points within the 15 minute target; improved telephone call handling; and occupancy levels of the Council owned business floor space having exceeded the target and the performance of the same period last year.

It was added that key performance issues going forward included: payment of supplier invoices within 30 days, improved however still outside of target; sickness levels were still outside of target; Employee appraisals rate had improved however remained below target; and the Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests responded to within deadline had deteriorated and remained below national target.

Members were asked to note that, in connection with FOI and EIR requests, there had been an increased workload in relation to data protection and the importance of ensuring quality responses meant there was a balance between quality and timeliness. It was added that MTFP savings meant that all services were managing with less resources and the performance at Quarter 3 reflected the volume of requested received in Quarter 2. Councillors noted that there would be a continued focus on timeliness in respect of the requests.

In respect of sickness absence, Members noted: new Attendance Management Policy; compulsory manager training; the ResourceLink leave management module; and detailed performance monitoring by service managers.

The Corporate Scrutiny and Performance Manager explained that in respect of performance appraisals, 81.7% were completed within the 12 months to December 2014. It was added this was much improved on previous performance, however, was still below target of 85%. Councillors noted that there were alerts via the "MyView" system to assist Managers together with performance appraisal training and support from HR business leads.

The Chairman thanked the Corporate Scrutiny and Performance Manager and asked Members for their questions on the report.

Councillors asked questions relating to: a new system for processing invoices; whether rent arrears for those properties being transferred to the new housing organisation would be an issue for the Authority or the new organisation; whether there was a reason for the spike in Housing Benefit and Council Tax requests in November 2014; and what measures were in place to mitigate the risk of complaints to the Information Commissioner's Office (ICO) as regards those FOI and EIR requests not completed within timescales.

The Corporate Scrutiny and Performance Manager noted the new Business Intelligence System was in place and that rent arrears would be for the new housing organisation. It was added that Housing Benefit claims and change in circumstance requests followed seasonal trends and accordingly there were differential targets and the Revenue and Benefits Manager would be able provide information on any specific reasons.

The Head of Planning and Performance noted the concerns raised by Members in respect of FOI and EIR performance and noted that the position would be reviewed at the end of the year. It was added that often FOI and EIR requests were multi-faceted and therefore required multiple services to respond, prior to a response being collated and sent out. Members were also reminded of the fee-limit of 18 hours in respect of the work in pulling together an FOI or EIR request. The Head of Planning and Performance explained that of issues escalated to the ICO the vast majority were in reference to the quality of the response rather than timeliness and therefore it was important to ensure no detriment in quality when looking to improve timeliness of response.

Councillor J Hillary asked what actions were taken against those Managers not completing appraisals and noted the target for completions, albeit aspirational, should be 100%. The Corporate Scrutiny and Performance Manager noted that figures were reported to Corporate Management Team and Managers would need to be able to account for any appraisal not completed. Councillor N Martin asked whether the training available for Managers in respect of appraisals was compulsory, noting that if not, it should be. The Corporate Scrutiny and Performance Manager noted the training was not compulsory. Councillor J Armstrong reiterated the point raised by Councillor J Hillary, noting that Members needed information on the actions that would be taken should appraisals not be completed. Councillor E Huntington noted that performance appraisals were a very important component of a Manager's or Supervisor's job and appraisals were a part of the process, "oil that keeps the cogs turning".

Councillor M Wilkes noted the situation with appraisals was similar to that of sickness absence. Councillor M Wilkes referred to Performance Indicators RES 34 and 35 as set out at page 26 of the agenda papers and noted an increase in staff numbers in the latest quarter. Councillor M Wilkes asked how many staff the Authority employed in total as this was important in understanding the figures in terms of those with long term sickness absence, the presentation stating the number of posts that had lost 20 full-time equivalent (FTE) days or more being 499. The Chairman noted the figures could be obtained and Councillor J Armstrong added that any figures should include the FTE figures for the Authority, excluding schools.

Resolved:

That the content of the report be noted.

7 Customer Feedback: Complaints, Compliments and Suggestions Quarter 3 Report 2014/15

The Committee considered a Joint Report of the Assistant Chief Executive and Corporate Director, Neighbourhood Services which provided details for each service grouping in relation to both statutory and non-statutory complaints, compliments and suggestions received in Quarter 3 2014/15 (for copy see file of minutes).

The Customer Relations, Policy and Performance Manager, Mary Readman proceeded to provide detail regarding complaints, compliments and suggestions received across the council during Quarter 3, 2014/15 and it was reported that between 1 October 2014 and 31 December 2014: 493 Stage 1 and 41 Stage 2 corporate complaints; 288 compliments; and 62 suggestions had been received. It was added that there had been 33 complaints and 121 compliments received in respect of the statutory services of adult and children's social care during the period. Members noted performance in terms of timescales for responses to complaints and it was noted that the number of complaints received was at the lowest level since Quarter 4 of 2010/11. Councillors noted that the reduction was across all service groupings; however Neighbourhood Services had the most significant reduction, approximately 51%.

The Committee learned that there were a number of key improvements including a reduction in complaints regarding: missed refuse and recycling bins; the garden waste service; Durham City Homes; Planning Development; and Revenue and Benefits. Members noted that an ongoing challenge was that of complaints by residents that felt they had been incorrectly logged as having recycling bins that were contaminated. It was added that work was ongoing in terms of educating residents on recyclable materials and increased enforcement activity to reinforce the message and change behaviours.

The Customer Relations, Policy and Performance Manager noted the outcomes in respect of investigations, with those being accepted as "justified" being approximately 40-50% across most services. Members were informed that Quarter 3 had 227 Stage 1 complaints that were not upheld.

Members noted the breakdown of the number of compliments and suggestions received across service grouping during Quarter 3 with the majority within Neighbourhood Services.

The Customer Relations, Policy and Performance Manager referred to the breakdown of the complaints, compliments and suggestions for each service grouping and detail was also reported in respect of current activity in relation to the Local Government Ombudsman.

The Chairman thanked the Customer Relations, Policy and Performance Manager and asked Members for their questions on the report.

Councillor N Martin noted that he had spoken to the Chairman previously as regards how complaints go "into the system", examples being that a complaint as regards faulty street light could be submitted via a web-form, however, a complaint as regards a bin collection being missed could not. Councillor N Martin added that looking at the Council's website he had noted that for the second example the link for more information toggled the contact details on the screen, though not in a position that was readily visible.

Councillor N Martin suggested that this was effectively inviting complaints to be submitted and that “low-level” issues that could be resolved relatively easily should not constitute a complaint as such, and the difference in respect of which issues were being recorded meant that data was not consistent.

The Head of Planning and Performance noted that this was an area looked at through Customer First work, that “business as usual” issues should be dealt with accordingly and would not constitute a complaint if dealt with satisfactorily in the first instance. It was added that issues as regards the website would be fed back to The Head of Policy and Communications. The Customer Relations, Policy and Performance Manager explained that the “Report It” feature on the website allowed information to be submitted and this was fed straight into the Customer Relations Management (CRM) system, with additional issues being added, for example missed wheelie bins, within the next few weeks. Members were reminded that there was a general “Report It” form and that when Customer Services receive a “complaint” via a web-form they then will contact the customer and if the issue can be resolved, the issue does not go forward as a formal complaint. It was added that there was work ongoing to improve the “Report It” function and the data as set out in the report represented those issues that were not resolved at the first point of contact.

Councillor K Henig noted that she would have expected more complaints as regards the Street Lighting Project, installing new LED lighting as many residents have noted their preference for the old lighting. The Customer Relations, Policy and Performance Manager noted that for such technical issues that were generally “low volume, but complex”, Customer Relations staff have a number of frequently asked questions (FAQs) to be able to help explain the situation. It was added that only if there was a technical fault and this was not resolved would it constitute a complaint and that in respect of the Street Lighting project specifically there would be an update included at the year end. It was added that technical issues often required longer term study to allow for evidence of performance to be measured.

Councillor L Armstrong noted 79 compliments for Aycliffe Secure Services for Quarter 3 and zero recorded for Quarter 2 and asked if there was a specific reason for this sharp increase. The Customer Relations, Policy and Performance Manager noted she would look into the matter and report back on the matter.

Resolved:

That the content of the report be noted.

8 Quarter 3 Forecast of Revenue and Capital Outturn 2013/14

The Committee considered two reports, the first of the Assistant Chief Executive (ACE) and the second of the Corporate Director, Resources which provided details of the Quarter 3 forecast outturn budget position highlighting major variances in comparison with the budget based on the position at the end of December 2014 (for copy see file of minutes).

The Finance Manager, Azhar Rafiq provided a summary report for the Assistant Chief Executive’s service grouping detailing the analysis by Head of Service and highlighting significant variances in the core budget.

It was noted that MTFP savings were on track and that the ACE Capital Programme was relatively small, the largest component being the Members' Neighbourhood Budgets.

The second report related to the Resources service grouping and an analysis by Head of Service was provided alongside those significant variances to the core budget. Members noted that MTFP savings were on track and that the predominant spend within the Resources Capital Programme related to ICT equipment.

The Chairman thanked the Finance Manager and asked Members for their questions on the reports.

Councillor M Wilkes referred to the table set out at page 57 of the agenda papers, where the annual employee costs for Resources were reported as £40m in 2014/15. Councillor M Wilkes noted that staffing spend in 2011/12 for Resources was also reported as £40m and asked why, if there were staffing savings being made as part of MTFP savings requirements, the staffing budget in 2014/15 was the same as in 2011/12 and had not decreased. The Finance Manager explained that it is difficult to draw direct comparisons from one year to the next and care needs to be taken when trying to compare figures going back several years as functions can transfer between service groupings and Government grant funding changes can impact on service budgets. Since 2011/12 a number of functions had been transferred to the Resources service grouping and an example was given of unitisation of finance and human resources staff who were all brought together into Resources whereas previously they were accounted for in other service grouping budgets.

Councillor M Wilkes also noted that the agency and contracted figure set out was £3,940,000, with that figure being zero in 2010/11. Councillor M Wilkes asked how, if savings had been made, was the wage bill increasing. The Finance Manager clarified that the agency and contracted figure did not represent staff; staff would be listed under employees, rather it represented contracts as regards services being provided for the Council by a third party. Councillor M Wilkes noted that it would therefore include a cost of the staff carrying out the contracts. The Finance Manager stated that such costs could not be classified as being Council staffing costs. Any agency costs related to staffing would be included in the Employees heading of the table on page 57. Councillor L Armstrong noted that those staff would be the employees of the company providing the contract, not DCC employees. Councillor M Wilkes noted that the figure for agency and contracted was zero three years ago and therefore he assumed that there would be a corresponding reduction elsewhere in the budget if the contracts represented work the Council undertook itself three years ago. In relation to the £3,940,000 budget appearing in 2014/15, the Finance Manager explained that this was largely due to central government changes in funding and service transfer and a large element of this budget was in respect of the welfare assistance programme which transferred to the Council from Government only recently and did not exist in 2011/12.

The Head of Planning and Performance also commented that the employee figures for both ACE and Resources were affected, as stated by the Finance Manager, by transferring of services such as HR and ICT that had led to savings with centralised services. It was added that ACE now included the County Record Office and the Web Team, two of a number of changes since 2010/11.

The Customer Relations, Policy and Performance Manager added that as part of Welfare Reform, a number of functions and Department of Work and Pensions (DWP) staff were transferred to the Authority, together with the respective budgets. The Finance Manager added that other Government and funding changes had taken place, including the transfer of the Public Health function to Local Authorities and more recently Better Care Funding and reiterated again the difficult in comparing headlines figures over several years.

Resolved:

That the content of the reports be noted.

9 Refresh of the Work Programme for the Corporate Issues Overview and Scrutiny Committee

The Chairman asked the Head of Planning and Performance to speak to Members in relation to the Refresh of the Work Programme for Corporate Issues Overview and Scrutiny Committee (for copy see file of minutes).

The Committee was reminded that the Work Programme was linked to the Council Plan 2015-2018 and that the final draft of the Work Programme would be presented at the July meeting for Members' consideration. The Head of Planning and Performance noted that there were three main areas to highlight in the report, with the first being the four Council Objectives under "Altogether Better Council": Putting the customer first; working with our communities; effective use of resources; and supporting our people through change.

Members were referred to the second main area, an overview of the current Work Programme, and the issues looked at including: in depth reviews on the Budget and MTFP process and Customer First Strategy; overview activity including RIPA, Creditors, Customer Feedback and ICT Strategy; and the regular performance and budgetary reporting.

The Head of Planning and Performance noted that the third area was potential topics for consideration in the future Work Programme and this report was to seek member suggestions. The Committee was asked to note that the Sickness Absence item was next on the agenda and that Members' comments would now feed into the draft Work Programme to be brought back to Members at the July meeting.

The Chairman thanked the Head of Planning and Performance and asked Members for their questions on the report and suggestions as regards the Work Programme.

Councillor J Armstrong noted that MTFP would be an important issue for the Committee, together with the planned review on the issue of Sickness Absence. Councillor J Armstrong added that reviews needed to be meaningful, and that all work needed to be undertaken in the context of capacity.

Councillor M Wilkes agreed that the two main issues for the Committee should be MTFP and Sickness Absence. Councillor M Wilkes asked that in the context of MTFP that issues of earmarked reserves be looked at, noting that there were cash limit increases, the proportion of the general reserve had increased from 2.5% to 7.5% and the cost of borrowing in general had decreased. Councillor M Wilkes noted that the issues associated with the MTFP were complex and that it was not always easy to get a whole picture. Councillor J Armstrong noted that he felt Officers provided good explanations in terms of reserves and borrowing.

Councillor M Wilkes cited an example where the DCC insurance reserve was 40% higher than that of Birmingham City Council, and noted that while there may be a reason for this and that he was not aware, he felt that Members needed some further information to be able to have a fuller picture. Councillor J Armstrong noted that receiving Government settlement late may have been a consideration and also Officers could bring back any information as regards Government and financial requirements in terms of reserves.

Councillor N Martin noted that it was the role of Overview and Scrutiny to provide challenge and added that in terms of the review of Sickness Absence that return to work interviews should be linked to appraisals. Councillor J Hillary disagreed noting that the appraisal process should not be part of attendance management, however noted that the appraisal process had a part to play in issues such as succession planning.

Resolved:

- (i) That the information set out in the Council Plan 2015-2018 Altogether Better Council theme be noted.
- (ii) That the Committee refresh the Work Programme considering the actions identified under the Altogether Better Council theme.
- (iii) That the Committee consider a further report detailing the Work Programme 2015-2017 at its meeting 16 July 2015.

10 Sickness Absence Management Policy - Proposed Corporate Issues Overview and Scrutiny Committee Review

The Chairman asked the Head of Planning and Performance to speak to Members in relation to the proposed review of the Sickness Absence Management Policy (for copy see file of minutes).

The Head of Planning and Performance referred Members to four key elements as set out in the report that would inform the Working Group, namely: receiving an overview of current policies and procedures including the role of occupational health; examination of statistics relating to attendance management across the Council to gain an insight into trends and opportunities for improvement; consideration of examples of best practice and research in respect of sickness absence management; and receiving information on staff, manager and Trade Union opinions and experiences of the sickness management policy and management.

The Head of Planning and Performance noted the comments raised by Members during earlier items, including staff welfare, and asked if Members could provide any further comments, and indicate if they wished to form part of the Working Group, by e-mailing the Overview and Scrutiny Support Assistant, E Dunnill by 1 May 2015.

Councillor M Wilkes noted the four elements as set out in the report and reiterated that private sector views and benefits of an external sickness absence reporting system should be looked at. Councillor J Armstrong noted that best practice would be looked at, comparing “like for like” looking at comparable organisations. Councillor M Wilkes added that he understood that private companies would be different to Local Authorities; however, there may be some of their practices that would best deal with issues the Authority faced. Councillor N Martin noted that research should look at which other Local Authorities use external sickness absence reporting and whether they have provided any benefits, adding that managers at the Council were very busy and sickness absence may be best reported using an external organisation. Councillor N Martin added that the Council existed to give best value in providing services to the public and therefore Members would want what was best.

The Head of Planning and Performance noted the issues raised adding that evidence from other sectors could be looked at, though they would not be able to be benchmarked directly, and added that there were issues of staff development and training. Members noted that the comments made would be taken into account in respect of Terms of Reference for the Review.

Resolved:

- (i) That the proposed review of Sickness Absence be agreed.
- (ii) That up to ten representatives be appointed to serve on the Working Group.