VALUE FOR MONEY SCRUTINY COMMITTEE
21 JUNE 2016

PRESENT: COUNCILLOR MRS A M NEWTON (CHAIRMAN)

Councillors Mrs J Brockway (Vice-Chairman), P M Dilks, I G Fleetwood, A G Hagues, Mrs M J Overton MBE, R B Parker and P Wood.

Councillor M A Whittington attended the meeting as an observer.

Officers in attendance:-

Andrea Brown (Democratic Services Officer), David Forbes (County Finance Officer), Judith Hetherington Smith (Chief Information and Commissioning Officer), Daniel Steel (Scrutiny Officer), Paul Briddock (Partnership Director for SERCO) and Ciaran Gaughan (SERCO Contract Manager).

1 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

There were no apologies for absence received.

The Chairman reported that Councillor M A Whittington was no longer a member of the Committee following his appointment as Executive Support Councillor for Governance, Communications, Commissioning, Finance and Property and would attend in that capacity. A replacement Committee Member was to be advised in due course.

2 DECLARATIONS OF COUNCILLORS' INTEREST

There were no declarations of Councillors' interests at this point of the proceedings.

3 MINUTES OF THE MEETING OF THE VALUE FOR MONEY SCRUTINY COMMITTEE HELD ON 26 APRIL 2016

RESOLVED

That the minutes of the Value for Money Scrutiny Committee meeting held on 26 April 2016 be agreed and signed by the Chairman as a correct record.

Page 7 of the minutes had noted that the Committee requested that legal advice be taken to review the level of commercial sensitivity of the information presented to the Recovery Board. It was reported that a review of this information had been undertaken between the Chief Commercial Officer and Serco where it was agreed that a number of areas would not be commercially sensitive in future.

4 PERFORMANCE OF THE CORPORATE SUPPORT SERVICES CONTRACT

Consideration was given to a report from the Chief Information and Commissioning Officer which provided the Committee with an update on the recent performance against the contract with Serco.

Judith Hetherington Smith, Chief Information and Commissioning Officer, introduced the report and tabled updated performance figures up to the end of May 2016.

Paul Briddock, Partnership Director for Serco, was also in attendance for this item.

During discussion, the following points were noted:-

- Serco anticipated that an agreement for the amendment of some KPIs would be reached within three months. It was noted that KPI09 and KPI11 did not require renegotiation as it was acknowledged that the failure in these areas to reach the target was the fault of Serco and their responsibility to make the necessary improvements in order to meet those targets;
- Although marked improvements had been made for some KPIs, the targets were still not being met. The Committee was advised that for the purpose of reporting, despite these improvements being acknowledged, the KPIs remained unmet;
- In relation to payroll queries, staff were frequently reminded to check payslips to ensure they were correct and any discrepancies reported immediately. Although for some staff this would be straightforward for others with variable hours and pay it could be a complex process. Due to these difficulties, the Corporate Management Board was concerned that staff should receive some support and help to do this. As an example, it was noted that retained firefighters did not have enough information available on payslips to enable them to do the relevant checks. This information had been requested;
- F KPI 101 – undisputed invoices (finance) target was not improving and this was due to the amount of time taken to process the invoices, by both LCC staff and Serco. Although this had improved since October 2015 it was acknowledged that better reporting was required by LCC to enable departments to be prompted to complete the invoice process. It was further explained that there were currently 3168 late invoices in the system, 406 of which were awaiting action by Serco and 2700 were within LCC systems;
- A detailed report of which departments were holding up these invoices was now available enabling the finance team to chase closure of these purchases. This equated to 80-85% of late invoices. It was confirmed that this report was not an additional task and would be prepared as part of the process for invoice resolution;
- In theory, disputed invoices should be removed from the KPI and not counted but it was advised that this indicator also required renegotiation;
- Should renegotiation of KPIs result in no alteration, Serco would have to find ways to meet those targets as part of the contract. Paul Briddock, Partnership Director for Serco, reported that some of the KPIs may not be met as these relied on other areas within a process to do so. The finance process for Adult

Social Care had an indicator set at 14 days but within that process was a sub-process which was 28 days and, despite this, all information was required within 14 days which was not always possible;

- Concern was raised in regard to communications between Serco and schools. It was explained that a number of routes in to Serco were being used by schools which had caused some issues to be missed, including using individual email addresses and direct line telephone numbers rather than the designated generic lines of reporting. Also, schools had reported a "black hole", receiving no progress information following the report of an issue. This feedback had been taken in to consideration and Serco was working to implement a number referencing system for all enquiries which schools could refer to should further contact be made. It was hoped this would be operational by the September term;
- It was asked that the report be amended to show when a KPI was a shared responsibility to enable the Committee to see when performance had been impacted by a third party;
- Work was ongoing by Serco to ensure the IMT service was more robust. It was acknowledged that there was a lot of work required to ensure compliance;
- Difficulties had been met whilst dealing with the first six months of payroll entries input on to the new Agresso system. These entries were apportioned to a different account which had required considerable work to unravel and correct. It was reported that this had proved difficult to do within schools and work continued to extract the relevant information to ensure the accounts could be corrected; and
- It was also requested that an update on the impact on the delayed delivery of IT and new technology milestones (IMT KPI 11) should be included in the next report.

RESOLVED

That the report and comments be noted.

5 VALUE FOR MONEY SCRUTINY COMMITTEE WORK PROGRAMME

Consideration was given to a report of the Director responsible for Democratic Services which provided the Committee with the opportunity to consider the work programme for the coming year.

The Audit Committee had met to consider the motion presented to Full Council in relation to the Serco Contract. It was suggested that this be considered at the Value for Money Scrutiny Committee scheduled for July 2016 in order to prepare a formal contribution from the Committee in regard to the contract. The Committee agreed to add this to the agenda for the July meeting.

The Committee agreed that the pre-meeting held prior to the start of the formal Committee had been a helpful exercise and suggested this arrangement be replicated in July. It was therefore agreed to start the formal meeting of the Value for

Money Scrutiny Committee in July at 10.30am with a pre-meeting for Committee members only at 9.30am.

The Committee requested that the information within the County Council Property Assets – Detailed Analysis item, scheduled for consideration at the meeting on 27 September 2016, include a breakdown of all assets by Council Divisions. The County Property Officer would be advised of this request.

RESOLVED

1. That the report and comments be noted;
2. That the start time of the Value for Money Scrutiny Committee, on Tuesday 26 July 2016, be changed to 10.30am;
3. That the Scrutiny Officer make arrangements to hold a pre-meeting immediately prior to the next meeting of the Value for Money Scrutiny Committee on Tuesday 26 July 2016; and
4. That the County Property Officer be requested to include a breakdown of all assets by Council Division within the report "County Council Property Assets – Detailed Analysis" scheduled for consideration on 27 September 2016.

On behalf of the Committee, the Chairman expressed thanks to Judith Hetherington Smith (Chief Information and commissioning Officer) and David Forbes (County Finance Officer) and their teams for the continued work undertaken to support the Serco contract.

The meeting closed at 11.35 am.