



**OVERVIEW AND SCRUTINY
MANAGEMENT BOARD
21 DECEMBER 2017**

PRESENT: COUNCILLOR R B PARKER (CHAIRMAN)

Councillors T Bridges, Mrs J Brockway, M Brookes, C S Macey, C E H Marfleet, Mrs A M Newton, N H Pepper, E W Strengiel, R J Kendrick and R Wootten (Vice-Chairman)

Added Members

Church Representatives: Mr S C Rudman

Executive Support Councillor for Resources and Communications Councillor M A Whittington attended the meeting as an observer

Officers in attendance:-

Paul Briddock (Partnership Director for SERCO), Andrea Brown (Democratic Services Officer), Arnd Hobohm (Contract Management Team - Infrastructure), Nigel West (Head of Democratic Services and Statutory Scrutiny Officer), John Wickens (Head of ICT) and Richard Wills (Executive Director, Environment and Economy)

63 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Councillors R L Foulkes and Mrs J Brockway and Added Members Mrs P J Barnett, Reverend P A Johnson and Dr E van der Zee.

It was reported that, under the Local Government (Committee and Political Groups) Regulations 1990, Councillor R J Kendrick had been appointed as replacement member for Councillor R L Foulkes, for this meeting only and that Councillor R Wootten had permanently replaced Councillor L A Cawrey.

The Committee was reminded that Councillor R Wootten had been appointed as Vice-Chairman of the Overview and Scrutiny Management Board at the meeting of Full Council on Friday 15 December 2017.

64 DECLARATIONS OF MEMBERS' INTERESTS

No declarations of Members' interests were received at this point of the proceedings.

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MANAGEMENT BOARD HELD ON 30 NOVEMBER 2017**

The Chairman advised the Board of an error on page two of the minutes. Dr E van der Zee had been referred to as *Mr* E van der Zee, which would be amended.

RESOLVED

That the minutes of the previous meeting held on 30 November 2017, with the amendment noted above, be agreed as a correct record and signed by the Chairman.

**66 ANNOUNCEMENTS BY THE CHAIRMAN, EXECUTIVE COUNCILLOR
FOR RESOURCES AND COMMUNICATION AND CHIEF OFFICERS**

The Chairman advised that he had attended two recent meetings of the Executive, on 5th and 19th December. These meetings had included an overview of the way in which key indicators were considered and a presentation from the County Finance Officer in relation to the budget workshops. Unfortunately, the settlement for Lincolnshire had only just been received and therefore the detail was unable to be considered at that time.

The Chairman confirmed that scrutiny committees would be consulted on the draft budget proposals prior to the Board's consideration on 25 January 2018. The Executive would then consider the comments prior to making a recommendation to Full Council on 23 February 2018.

The Executive Support Councillor for Resources and Communications confirmed that some areas of the budget would be reconsidered following the announcement and the potential increased income.

There were no announcements by Chief Officers.

67 CONSIDERATION OF CALL-INS

No Call-Ins had been received.

68 CONSIDERATION OF COUNCILLOR CALLS FOR ACTION

No Councillor Calls for Action had been received.

**69 PERFORMANCE OF THE CORPORATE SUPPORT SERVICES
CONTRACT**

Consideration was given to a report by the Chief Commercial Officer which provided an update on Serco's performance against contractual Key Performance Indicators (KPIs) specified within the Corporate Support Services Contract between September 2017 and October 2017. The report also provided an update on the progress made on key transformation projects being undertaken by Serco.

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Prior to the meeting an addendum report had been circulated to the Board which provided an update on Serco's KPI performance in November 2017 (contract month 32).

Arnd Hobohm (Contract Management Team – Infrastructure) introduced the report and explained that Appendix A and the addendum to the report provided detailed KPI results for the six months of service delivery from May to November 2017 broken down by service area.

Table 8 of the report highlighted two areas of KPI failure and the effect on Council service provision where the Minimum Service Level (MSL) had not been achieved, both of which were in September 2017 only. These were CSC_KPI04 (% of abandoned calls) and IMT_KPI05 (number of Priority 1 incidents reported to service desk). Since the report and addendum had been published, the score against KPI04 (% of abandoned calls) within the Customer Service Centre was 2.79% which was the best it had ever been.

It was reported that KPI performance across most service areas had been good with MSL failures continuously falling however four IMT KPIs which had been escalated for August 2017 remained outstanding.

The Chairman invited Paul Briddock (Partnership Director, Serco) to give an update from the perspective of Serco who explained that a considerable amount of hard work and effort had been done in order to improve the KPIs with a number of services maintaining performance and moving forward. Only one KPI was missed and that was by 0.75% of 1% therefore it was reported that they were now in a much stronger position than previously.

The Board was advised that October 2017 had resulted in no red status KPIs for the first time since the start of the contract and that this had continued into November 2017.

The Chairman invited the Board to ask questions on this section of the report, during which the following points were noted:-

- Councillor A M Newton asked that her thanks to both Paul Briddock and LCC teams regarding the progress made be recorded. As the Chairman of the former Value for Money Scrutiny Committee during the last Council term, where this item was regularly scrutinised, Councillor Newton acknowledged the level of improvement made, but reiterated that these indicators should have been met from the start of the contract;
- Serco had faced significant issues in recruitment as competitors were also recruiting to similar positions. As a result, Serco had improved advertising and technology in addition to a change in management staff with better skill sets. All of these changes had come into effect from 1 October 2017 which had resulted in the step change in performance shown in the report;
- Outstanding payroll queries appeared to continually increase and it was explained that this would depend on the query and the complexity of the

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issues. September was a busy period for schools, for example, with newly qualified teachers being employed. Due to the tight turnaround within the schools, this resulted in a considerable amount of paperwork being received late. The current number outstanding was 54 across the whole of payroll and work was required to ensure that those people were not disadvantaged as a result of the late receipt of paperwork. It was further explained that to rectify errors made as a result of late paperwork could take approximately 10 times more work than it would to process the paperwork if had been received on time;

- In order to improve this position, a Joint Improvement Board had been set up to deal with 'starters', 'movers' and 'leavers' and would support line managers to manage the process better; and
- The Chairman of the Public Protection and Communities Scrutiny Committee, Councillor N H Pepper, indicated that Fire Officers across the county were dissatisfied with the service provided by payroll and that they regularly reported issues. Paul Briddock questioned that view as Serco had met monthly with fire staff and unions who had reported that less than 0.1% was outstanding. Further information was requested as Serco would like to look at this issue in more detail.

Overall the Board was happy with the progress made but urged Serco not to become complacent.

The Chairman invited the Partnership Director (Serco) to introduce Appendix D to the report which presented information requested by the Board at its meeting on 26 October 2017 in relation to IT Projects.

The report documented the following areas:-

- Definition of an IT commissioned project;
- The number of IT projects carried out since 1 April 2015;
- Delivery Profile: Next 9 months;
- The extent of any delay in delivery; and
- The impact on the Council and residents of Lincolnshire arising from that delay.

The Chairman welcomed John Wickens, Head of ICT (Lincolnshire County Council), to the meeting and invited him to provide any supporting information from the perspective of the Council on this issue.

It was reported that most of the difficult challenges had been due to the delays at the start of the contract and the handover between Mouchel and Serco. This had been further impacted by the implementation of the ERP (Finance) system which was done in parallel with the delivery of Mosaic and some other core deliveries. Due to this, the contract was started with a backlog which was further compounded by the delay in routine 'servicing work' resulting in network outages. LCC and Serco had then been in a position where all resources had to be diverted to a tactical short term 'firefighting' team which had meant that regular day-to-day servicing was not done and continued to build up a large backlog. Although there was a sense that this area

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was improving, the Board was asked to note that LCC staff had been working tirelessly alongside Serco staff to improve this position.

It was acknowledged that LCC had put together a stringent contract with high KPIs which Serco had perhaps underestimated when they bid for the contract. It was stressed that Serco had never suggested that they did not accept the terms of the contract but it was acknowledged that the contract had been written for 2012 and that the IT world had moved on considerably but the contract had not. It was suggested that there was an opportunity to reconsider the relationship and start to work together for the future.

During discussion, the following points were noted:-

- Appendix D suggested that Serco had no visibility of LCCs planned pipeline and therefore were unable to profile any new projects. It was explained that as recent work had been focussed on 'firefighting' it had been difficult for both parties to be able to consider the future. It was anticipated that this work could now start and, as an example, work had commenced with the Property Team and IT to look to the future;
- One of the propositions within the budget was for the IMT budget to be increased. It was proposed to include £1.4m for known requirements such as licenses for data protection, etc., and a further £3m which would not be precisely defined until the profiling work had been completed;
- The Chairman requested that a document with KPIs for each project be presented to the Board at future meetings;
- It was explained that sitting below the council's IT Strategy was a technical strategy which looked 2-3 years ahead and, although this was not necessarily a written strategy, this could be shared with the Board.

The Chairman suggested that the following areas for action be agreed:-

- Clarity of the IT vision and visible pipeline as far as it impacted on these projects;
- That this report and appendices be shared with the IT Scrutiny Panel and to request their consideration and thoughts; and
- That the Executive Director for Environment and Economy present proposals to enable the Overview and Scrutiny Management Board to fulfil their role by developing KPIs for each of these projects to enable Serco to be held to account.

The Head of ICT confirmed that the data requested within the last bullet point was available and each project was being measured using KPIs for project delivery. Local agreements had been set and each gateway monitored with any formal project changes having to be approved between IT, the relevant project lead and Serco with overall approval by the Programme Board.

It was agreed that this information would be presented to the Board at the next meeting by way of a formal report.

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RESOLVED

1. The report and contents be noted; and
2. That a report detailing the KPIs for the delivery of individual IT projects be added to the Overview and Scrutiny Management Board Work Programme for consideration at the next meeting.

Paul Briddock (Partnership Director, Serco) made a personal announcement to the Board, explaining that he would be moving on from this contract and reducing his working days to three days in order to spend more time with his family. It would not be beneficial to Serco or LCC for him to continue with this contract and therefore Serco was in the process of appointing a replacement with extensive experience in local government, who was to take up position in January 2018.

Paul thanked the Board and, in particular, the Chairman who had helped Serco to focus and strive to improve.

The Chairman thanked Paul for the considerable improvements in performance since his appointment and, on behalf of the Board, wished him all the best for the future.

70 FUTURE SCRUTINY REVIEWS

Consideration was given to a report by the Executive Director for Environment and Economy which presented the Board with an opportunity to evaluate the proposals received to-date for future scrutiny reviews.

Nigel West, Head of Democratic Services and Statutory Scrutiny Officer, introduced the report and confirmed that an email had been sent to all Councillors on 17 November 2017 reminding them of the invitation to propose potential scrutiny review topics using the scrutiny toolkit provided (also included in the agenda pack at Appendix A).

It was confirmed that this request had also been extended to officers of the Council.

Councillor M Brookes explained that it had been agreed at the last meeting of the Highways and Transport Committee to receive a formal report requesting a review as per the previous system. It was reported that a paper would be presented to them in January 2018 in relation to sponsorship of roundabouts and it was expected that this would be submitted for a full review.

The Chairman explained that this was a different approach and it was still not completely clear how these review topics would be agreed. Further consideration would be given to this process and suggestions presented to the Board at the next meeting.

It was also unclear what the required focus and outcome would be of each of the suggested reviews documented within the report. It was suggested that a named sponsor be allocated to meet with lead officers initially to undertake an exercise to

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clarify the reasons for the review request. This information would then be presented to the Board at the next meeting.

RESOLVED

1. That the report be noted;
2. That a report detailing a suggested process to decide relevant scrutiny reviews be presented at the next meeting; and
3. That named sponsors be allocated, for the suggested scrutiny review topics, to undertake a review with officers and report back to the next meeting.

71 OVERVIEW AND SCRUTINY MANAGEMENT BOARD WORK PROGRAMME

The Board was provided with an opportunity to consider its own work programme.

The Board was advised that the Property Company item for pre-decision scrutiny would be presented at the meeting in January 2018. Due to the additional items for consideration in addition to the Budget item, it was agreed that the meeting would likely be a full day meeting with a break for lunch.

In relation to the draft budget and the recent update regarding to the increase in rural grants by 1% in addition to the retention of business rates, the Chairman asked the Executive Support Councillor for Resources and Communications to clarify with the Executive if those changes would be included within the report to be presented to the Board in January.

RESOLVED

1. That the Overview and Scrutiny Management Board Work Programme, including the amendments noted above, be agreed; and
2. That the Executive Support Councillor for Resources and Communications clarify the intention relating to the recent budget updates.

The Chairman extended his best wishes to the Board for both a happy Christmas and New Year.

The meeting closed at 11.38 am

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