

COTSWOLD DISTRICT COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

6TH SEPTEMBER 2016

Present:

Councillor Jenny Forde - Chairman
Councillors -
SI Andrews SDE Parsons
Jim Parsons

Substitutes:

Juliet Layton Tina Stevenson

Observers:

Alison Coggins (until 11.52 p.m.) JA Harris (from 11.25 a.m. - invited to speak on Minute OS.34)

Apologies:

Julian Beale NP Robbins
RG Keeling

OS.20 SUBSTITUTION ARRANGEMENTS

Councillor Juliet Layton substituted for Councillor NP Robbins; and Councillor Tina Stevenson substituted for Councillor RG Keeling.

OS.21 DECLARATIONS OF INTEREST

(1) Member Declarations

There were no Declarations of Interest from Members under the Code of Conduct.

(2) Officer Declarations

There were no Declarations of Interest from Officers.

OS.22 MINUTES

RESOLVED that the Minutes of the Meeting of the Overview and Scrutiny Committee held on 7th June 2016 be approved as a correct record.

Record of Voting - for 4, against 0, abstentions 2, absent 1.

OS.23 CHAIRMAN'S ANNOUNCEMENTS

There was none.

OS.24 PUBLIC QUESTIONS

No public questions had been received.

OS.25 MEMBERS' QUESTIONS

No questions had been received from Members.

OS.26 CALLED-IN DECISIONS

No executive decisions had been the subject of Call-In since the Committee's previous Meeting.

OS.27 REVIEW OF LEISURE AND MUSEUM SERVICE

At the previous request of the Committee, the Head of Leisure and Communities, Diana Shelton, and the Joint Leisure Services Manager, Martin Holland, together with the Contract Manager, Jamie Nesbit, and Regional Director, John Senior, of Sport & Leisure Management (SLM), the Council's leisure and museum contractor, were in attendance to make a presentation on the operation of the outsourced Leisure and Museum Service.

The presentation sought to provide an initial opportunity for the Committee to assess the success or otherwise of the Council decision to outsource the service to SLM in July 2013, having particular regard as to whether the perceived benefits/objectives/outcomes of that move had been achieved.

By way of background, the Committee was advised that, on 31st July 2013, the Council had entered into a ten-year Leisure Management Contract with SLM, with a break clause available to the Council at seven years. The Council reserved the right to review any aspect of the contract whenever it saw fit. The contract scope included the facilities at Cotswold Leisure Centre, Cirencester; Bourton Leisure Centre; Chipping Campden Leisure Centre; and The Corinium Museum & Resource Centre.

The Head of Leisure and Communities explained that, in awarding the contract, the Council had set two principal objectives - to make an annual saving of £225,000; and to continue to provide at least the same level of service. Against these objectives, average savings of £282,749 were projected over the ten-year contract period and SLM would pay the Council approximately £431,044 over such period; and, in terms of service, a full programme was being delivered at the same user prices, there had been increased usage of the facilities, and evidence suggested a high quality provision. However, in seeking to ensure the delivery of savings whilst maintaining service quality, Officers also sought to review, and ensure, that services were accessible to all residents, including those traditionally excluded. The financial arrangement provided for the Council to assist SLM with funding in the early years of the contract, before SLM would then start to pay a premium back to the Council by way of a fee to run the facilities - with the current year having been the first year that SLM had made a payment to the Council. The key contract elements and responsibilities were as follows:-

- SLM set out their management/operational approach, through a set of Method Statements, which then formed part of the contract;
- SLM would be responsible for the day-to-day running of the centres, including maintenance;
- SLM would run a balanced programme - including outreach and health;
- SLM would employ all staff;
- SLM would receive all income, but would pay all costs associated with delivery;
- SLM would undertake the marketing and promotion of activities, on behalf of the Council;
- CDC retained responsibility for the main structure of the buildings, and for the large equipment and plant, and fitness suite equipment;
- CDC monitored SLM's management;
- a process for dealing with concerns was in place, including the issue of improvement notices if necessary.

In terms of contract monitoring, SLM set out how they would monitor and improve their service at the outset; and CDC monitored this in a range of ways - through recognised industry assurance programmes, visits by CDC contract monitoring staff, interventions by specialists where needed, information provided by SLM, and a comprehensive meeting structure including an advisory board and other operational groups, etc.

It was explained that a range of performance measures were in place. The key performance indicator related to the number of visits to the leisure centres and museum; it was suggested that performance should be measured against population and not solely increases in membership but this was under-pinned by a raft of management information which included the number of users of each centre; numbers doing the different activities; income and expenditure; accidents; customer feedback; effectiveness and timeliness of maintenance; and the impact of special projects and promotions. The Head of Leisure and Communities was pleased to report that overall footfall had increased by over 110,000 to nearly 700,000 visits per annum.

In terms of lessons learned to date, the benefits of partnership working had clearly come to the fore. An arms-length approach, which enabled the contract managers to manage, had also been successful; as had the communications channels and meeting arrangements that had been put in place. Customer feedback had also identified excellent communications between SLM and centre users.

In looking to the future, the Head of Leisure and Communities confirmed that the Council would continue to work closely with SLM to enable the delivery of an efficient and effective contract. Work was planned to identify who currently used the service and, conversely, who did not and why not, in an attempt to encourage increased participation in activities. In addition, more detailed work would be undertaken in readiness for a formal review and evaluation in advance of the contract break at seven years (2020).

The Contract Manager of SLM, Jamie Nesbit, explained that its operations were also subject to internal and external monitoring, to ensure that standards were achieved. The overall company structure provided for regional support managers, who monitored performance on a regular basis across a wide range of

areas, including health and safety, front of house, swimming lessons, health and fitness, etc. Of particular benefit was the fact that SLM had specialists in the various aspects of leisure provision, and had the staffing structure and base to provide additional support and resilience, as required.

From an external perspective, the service was subject to Quest, a nationally-recognised quality assurance scheme. The scheme featured an assessment every two years with annual review in between, and led to a grading of either fail or satisfactory or good or excellent. Assessments were now unannounced, and an additional review element comprised a 'mystery shopper' visit. The assessment covered a wide variety of topics, including planning to improve, community outcomes, customer experience and insight, team skills and development, housekeeping, maintenance, environment, health and safety, financial management, etc. Mr Nesbit was pleased to report that SLM had received a 'good' rating across all elements, it being noted that as the scheme sought to achieve and reflect continuous improvement it was highly unlikely that an organisation would be able to achieve an 'excellent' rating at first assessment.

In summary, these measures provided an exceptionally robust mechanism to ensure that quality was maintained.

In response to questions, the Officers and SLM representatives explained/confirmed that:-

- the Museum continued to be successful, having retained its formal accreditation and having been a finalist in a number of national awards;
- while none of the contract bidders had had experience of museum operations, the Museum staff had remained largely the same as under Council control, including at Director level;
- at the time of externalisation of the service, all schools where dual use facilities existed had been given the opportunity to be part of the contract or 'opt out', with Bourton and Chipping Campden subsequently being included in the contract;
- separate arrangements had been made in respect of the Fairford and Tetbury Dual Use leisure facilities - based upon the schools having full control of the facilities with the Council withdrawing its rights to influence the services and future use of the leisure facilities at the School sites, although financial support by the Council remained for a transitional period;
- advice and support could still be provided to those schools that were not part of the contract;
- the Council continued to receive user figures for those centres, and would be willing to forward on any feedback or local concerns in an attempt to secure improvement as necessary, although the Council had no power of direction;
- minutes of the advisory board could be made available to Members if desired, including historic documents;
- the over-arching performance indicator relating to number of visits was a useful measure, and was supported by detailed management information on an activity basis, which could identify trends and usage that could then help determine future service provision or highlight areas of concern;
- membership numbers had increased since the start of the contract from 1,700 to 2,250 of which around 170 related to new corporate members;

- annual target figures were set having regard to likely population increases;
- whilst a blanket customer satisfaction survey had not been carried out, activity-specific ones had been undertaken, particularly if management information suggested a decline or other problem in a specific area;
- exit surveys were carried out with people who did not renew membership;
- membership figures were highly transient inasmuch that while overall figures might have remained relatively constant, individuals would have left and others would have joined;
- more up-to-date information would be available in advance of the next Committee Meeting, as the advisory board was due to meet before then and the monitoring meetings with the schools would also have taken place.

Members acknowledged the excellent work undertaken by SLM during the course of the contract thus far. It was agreed that the presentation and other information supplied had provided a good starting point, although it was felt that further information would be beneficial - including a more detailed financial breakdown; more information in relation to the dual use centre operations; and further clarification in respect of the split in responsibilities between the Council and SLM.

In this connection, Members were asked to provide details of any follow-on questions/queries/concerns/issues, so that Officers and SLM representatives could then seek to address such issues and gather information for the Committee.

In closing, on behalf of the Committee, the Chairman thanked Officers and SLM representatives for their attendance, and interesting and informative presentation.

OS.28 2020 PARTNERSHIP UPDATE

The 2020 Partnership Managing Director, David Neudegg, gave a presentation which updated Members on the Partnership, and included details of preparation for the agreed formation of local authority owned companies to support the delivery of efficiency savings.

The Managing Director reminded Members of the original 2020 Vision; the subsequent 2020 Proposition; the desired outcomes in terms of financial, efficiency, resilience, impact and democracy; and the key outcomes for Members, namely (i) democratic independence and autonomy over strategy, policy and decision-making; (ii) local knowledge and identity; (iii) service quality as good if not better; (iv) easy access to advice and expertise; (v) seamless for residents and customers; (vi) local choice over service standards and delivery options; and (vii) trust and confidence between partners.

In referring to previous Council decisions on the matter, the Managing Director drew attention to the establishment, and subsequent work, of the 2020 Joint Committee in terms of common strategies, policies and procedures (primarily around HR, ICT, and Finance); delivery of the 2020 Programme; and delivery of shared services.

The Managing Director was pleased to report that, so far, the benefits delivered had comprised:-

- on-profile cashable savings of £2.33m (£0.78m to CDC) in 2015/16 and 2016/17;
- improved knowledge sharing and learning;
- increased resilience;
- technological improvements;
- 'smarter' working;
- reduction in office space;
- cost avoidance in procurement.

The Managing Director stated that the formation of companies represented the next stage in the delivery of the 2020 Partnership Vision, and would ensure that the Partnership was best placed to secure financial savings whilst delivering the agreed outcomes for each Partner and with no detriment to the customer.

Possible benefits of implementing a company model included joint ownership; pension savings; a single employment model; commercialisation and trading opportunities; and increased shared commissioning and procurement - together with future, as yet unknown, benefits.

It was explained that the possible establishment of a number of local authority-owned companies to deliver services on behalf of the 2020 Partnership Partner Councils had been based on a refresh of the original business case; detailed pension modelling; detailed legal advice; detailed tax advice and tax modelling; a commercialisation report; commissioning framework considerations; and an independent governance review.

The updated Business Case comparison had identified the potential for additional cumulative savings over 10 years and increased annual savings against the same investment cost, thereby providing a slightly reduced payback period (of just over 1.5 years).

The Managing Director provided an illustrative company structure, and highlighted the key governance issues relating to the company model - companies limited by guarantee; shareholder agreements based upon the Ubico model; service agreements controlled and monitored by individual Councils to the standards set by Councillors; and the right of Overview and Scrutiny to hold the Managing Director and others to account.

In terms of timescales, the Council would be invited to endorse the company model at its next Meeting; and subject to approval by all Partner Councils, company registration(s) and the appointment of company directors was likely to occur by April 2017, followed by the transfer of all staff to the relevant company in Autumn 2017. It was expected that further transformation and development of shared services would not occur during the company establishment period.

In response to questions, the Managing Director explained that:-

- fundamentally, the company model was an employment mechanism;
- pension arrangements would not change for existing employees, although a stakeholder arrangement would be implemented for new entrants to any company;
- work was under-way to achieve an enhanced rewards and recognition package for staff, with the hope that the Partnership would become an employer of choice in the market-place;

- Cheltenham Borough Council had now determined that it only wished to share Finance, ICT and HR Services, and not Customer Services and Revenues and Benefits;
- the estimated financial benefit of CDC moving to a company structure was in the region of £200,000;
- the company structure was flexible to meet current and future needs and demands;
- details of project contributions across the Partner Councils were available;
- the Partnership maintained a risk register which was reported regularly to the Joint Committee, and which could be made available to Members;
- other authorities/bodies could join the Partnership, procure its services, or participate in joint procurement initiatives;
- customer service remained paramount;
- there would be investment in leadership development to support on-going change;
- there had only been a comparatively low number of compulsory redundancies over the past seven years;
- the results of the recent staff survey would provide qualitative feedback as to how staff perceived recent and planned change;
- geographical issues did represent a challenge;
- project 'reassurance' had been obtained through independent governance reviews, details of which could be made available to Members, along with source documents.

On behalf of the Committee, the Chairman thanked the Managing Director for his attendance and informative presentation.

OS.29 BROMFORD HOUSING

The Head of Democratic Services explained that Bromford Housing had provided a detailed response to the Leader of the Council in relation to activities around its stock portfolio from 2012 to date. Bromford was content for that response to be shared with other Members, albeit on a confidential basis at this stage; and would be happy to meet with Committee Members and the relevant Cabinet Member to discuss the matter further; with a view to then attending a future Meeting of the Committee to present a formal activities report, as had happened in the past. This approach was supported by the Committee.

OS.30 SOUTH WESTERN AMBULANCE SERVICE NHS FOUNDATION TRUST

The Head of Democratic Services reported on the correspondence exchange with the Trust thus far; and explained that the Trust was due to make a presentation to the County Health and Care Overview and Scrutiny Committee later in the month in relation to the work of the Trust and performance data for the year to date. It was hoped that, following such Meeting, an updated briefing note would be provided for the Council, as an open/public document.

Arising out of this item, it was suggested that all Members should receive a presentation on First Responders in due course.

OS.31 GCC HIGHWAYS AND TRANSPORT CONTRACT

The Head of Democratic Services explained that a limited response had been received from Members to the call for local highways issues; and suggested that

a follow-up be issued in an attempt to assess the scale of the issue before determining a way forward. This approach was supported.

OS.32 SUMMARY FINANCE/SERVICE PERFORMANCE REPORT - 2016/17
QUARTER 1

The Committee received details of overall performance for the Council in the first quarter of the financial year 2016/17, with particular focus on progress towards achieving the Council's top tasks, and efficiency measures, and providing information on the Council's capital expenditure, capital receipts and use of reserves.

The Committee was pleased with the overall performance achieved, both in terms of service and finance. Officers amplified various aspects, and responded to a number of questions from Members on a variety of issues.

During the Committee's detailed consideration of the performance information:-

- it was agreed that the outcomes from the recent staff survey should be included with the performance report to be presented to the Committee's next Meeting;
- it was noted that work was continuing in an attempt to secure improvements to building control performance; and that a detailed report was scheduled to be submitted in March 2017, after six months of service operation within the 2020 Partnership;
- it was explained that covert surveillance was used in exceptional circumstances, and was subject to prior approval in accordance with the Council's approved policy;
- it was noted that the slight decrease in overall customer satisfaction levels within Customer Services was primarily due to staff shortages and the subsequent need to train new team members;
- it was explained that no comparative data existed for the majority of indicators relating to Environmental & Regulatory Services due to the fact that the service had only recently been established, and new indicators had been devised;
- it was suggested that future reports should include the outcome of fly-tipping investigations and action.

RESOLVED that the report be noted.

Record of Voting - for 6, against 0, abstentions 0, absent 1.

OS.33 QUARTERLY DIGEST (INCLUDING COUNTY MATTERS)

The Committee was invited to identify any issues arising out of the Quarterly Digest for future debate and/or action by the Committee; including any matter from the Minutes/reports of the relevant County Scrutiny Committees.

The Committee requested an update on mobile phone provision in due course.

OS.34 WORK PLAN 2016/17

The Committee was requested to consider its forward work programme, including the identification of any other matters for possible consideration.

During the Committee's deliberations:-

- it was agreed that an update be provided in due course on Devolution within Gloucestershire, but only when there was something substantive to report;
- it was suggested that consideration should be given as to possible issues that might benefit from joint scrutiny committees/arrangements/working, particularly with the County Council; and, in this connection, Councillor JA Harris, in his capacity as Chairman of the Country Economic Growth Scrutiny Committee, explained that he would be happy to receive possible debate items for his committee and would expect other Chairmen to be equally receptive;
- a possible item in relation to future bus service provision was suggested;
- it was confirmed that Member training in relation to development control was in hand; and under investigation in relation to scrutiny.

RESOLVED that, subject to the above, the Work Programme be approved.

Record of Voting - for 6, against 0, abstentions 0, absent 1.

OS.35 OTHER BUSINESS

There was no other business that was urgent.

The Meeting commenced at 10.00 a.m. and closed at 12.43 p.m.

Chairman

(END)