

## **CORPORATE SCRUTINY AND PERFORMANCE PANEL**

Thursday 11 December 2008 at 6.00pm

### **Panel Members Present**

Councillor M Longhi (Chair)  
Councillor M Bird  
Councillor K Chambers  
Councillor H Sarohi  
Councillor Sears  
Councillor M Yasin  
Councillor Turner

### **Officers Present**

James Walsh- Assistant Director, Finance  
Sarah Homer- Assistant Director, Transformation  
Bhupinder Gill- Assistant Director, Legal and Constitutional  
Tony Cox- Head of Law- Contentious  
Paul Smith- Head of HRD  
Helen Dudson- Acting Head of CPM  
Michael Tomlinson- Corporate Finance & Treasury Manager  
Colin Teasdale- Performance and Scrutiny Officer

*The Chair welcomed Councillor Keith Chambers as a new member of the Corporate Scrutiny and Performance Panel.*

### **45/08 APOLOGIES**

Apologies were received on behalf of Councillors Cook and Flower

### **46/08 SUBSTITUTIONS**

. The following substitution(s) to the panel were submitted for the duration of the meeting:-

- Delete: Councillor Flower
- Substitute: Councillor Sears

### **47/08 DECLARATIONS OF INTEREST AND PARTY WHIP**

There were no declarations of interest or party whip identified at this meeting

### **48/08 MINUTES OF PREVIOUS MEETING**

#### **Resolved**

That the minutes of the meeting held on 23 October 2008, copies having

previously been circulated, be approved as a true and accurate record.

#### **49/08 FORWARD PLAN**

The forward plan as at 7 November 2008 was submitted (annexed.)

Members queried items 77/08 (Area Based Grant) and 78/08 (Strategic Fundraiser) and were informed these were no longer on the Cabinet agenda for December.

In discussions Members felt that they need more information on the Area Based Grant and its impact on the budget and requested a briefing note be circulated on this. They also felt that any recommendations from the WBSP should come to scrutiny before Cabinet.

#### **Resolved**

- 1. That the Forward Plan as at 7 November 2008 be noted;**
- 2. That a briefing note on the impact of the ABG on the budget be circulated to members;**
- 3. That the Corporate Scrutiny and Performance Panel requests all recommendations from the WBSP should come to Scrutiny prior to going to Cabinet.**

#### **50/08 Value for Money toolkit- Payroll and Pensions**

The Chair informed the Panel that Councillor Flower had led on this review on behalf of the Panel and whilst he was unable to be there in person to present his views he had emailed the Chair with a summary of his findings. The Chair distributed a copy of this email to the Members (annexed.)

The Chair then invited Paul Smith to summarise the toolkit that had been completed from an officer perspective. Paul informed the Panel that the Council had just been successful in winning the contract to run the payroll for the new Shelfield Academy and that benchmarking had revealed other areas where they could pursue further work. For example some smaller district councils whose cost per payslip was very high due to their relatively low number of staff, could be open to letting Walsall run their payroll for them at a profit to Walsall but a considerable saving to them.

Paul Smith also informed the panel that once some IT functionality had been realised they would be able to secure even more efficiency savings (e.g. through paperless payslips.) Members recalled their work on the EDMS system in the Revenues and Benefits Service and requested that the suppliers of this system be invited back to a future panel meeting to

discuss what additional features could be bolted onto the system to increase its functionality and its potential use across other parts of the authority.

Members felt that the options contained within the toolkit should be further explored, with a further report coming to the panel in 6 months time to update. They felt that, whilst no option should be ruled out, there should be an aspiration towards making the service cost neutral within 3 years and that the option of pursuing other sources of income by running payroll services for other authorities and organisations was particularly attractive.

Members commented that they felt the Value for Money toolkit had been a very worthwhile exercise.

### **Resolved**

- 1. That a full options appraisal of the Payroll service be carried out, following on from the work done with the scrutiny VFM toolkit, including looking at providing payroll service to other organisations at a profit, with an ambition towards making this service cost neutral within three years;**
- 2. That the results of this options appraisal be reported back to the Panel in 6 months time;**
- 3. That the suppliers of the EDMS system be invited back to the Corporate Scrutiny Panel to discuss what additional features could be added on to the system to increase its functionality for use in other areas.**

### **51/08 Corporate Services Draft Budget Proposals**

At the invitation of the Chair, Michael Tomlinson introduced this item with a reminder of the process as outlined at previous meetings. The discussion was broken down into the 4 main areas of Corporate Services- Finance, Legal, Transformation and Corporate Performance Management and Members were invited to discuss and develop recommendations for each of these areas.

#### **Finance**

Members discussed the improvements made in the Revenues and Benefits service, a traditionally high spending service that had been able to secure a number of efficiencies through changes to its business processes. James Walsh informed the Panel that the downturn in the economy was leading to an increase in the number of referrals to this service and adding extra pressure.

Members felt that in the current economic climate it was even more essential to reiterate previous recommendations this Panel had made to Cabinet regarding the importance of the Welfare Rights Service and restated their desire to see all posts within this service core funded rather than grant funded.

Members also felt that efficiencies could be made to help support this desire of core funding within Welfare Rights by looking at a rationalisation of this service with the work of the Fairer Charging Team within Social Care.

Across other areas of the Finance service, Members commented that it was difficult to see any potential for reduction in the level of service but felt it was important to continue to explore ways of working smarter. James Walsh informed them that a lot of work had been carried out looking at reducing transaction costs through system improvements which could generate real time information rather than the need to manually manipulate spreadsheets.

Members commented that, whilst they felt the budget should remain unchanged, it was important that if the service was asked to produce savings that this came from back office functions in order to protect front line services.

### **Resolved**

- 1. That the 7.5 posts within the Welfare Rights Service that are currently at risk, become core funded rather than grant funded, in order to protect this valuable service.**
- 2. That options are considered for the rationalisation of the work carried out by the Social Care Fairer Charging team and the Welfare Rights Service in order to realise possible efficiency savings.**
- 3. That the budget for Finance remains unchanged but if any savings are required that these come from back office functions in order to protect the front line services within this area.**

### **Legal**

Members discussed the previous investment that had taken place in this service to increase capacity and bring pay levels up to competitive levels in order to recruit and retain staff. They felt strongly that this previous, hard fought for investment should not be undermined now by making any cuts to this service.

They also discussed the extra pressures that were likely to be put on this service due to the fall out from the Haringey Baby P tragedy and also the

continuation of equal pay claims. They queried whether a reduction in conveyancing in the current economic climate would free up any capacity in the service, to which Bhupinder Gill informed them that they had already held back on recruiting fully to this area of the business in order to assess the situation but that any reduction in funding would severely limit their flexibility to react to external changes.

The Chair commented that in the current economic climate, where legal companies were struggling it may be a good time to look at outsourcing parts of the service or signing up to a framework contract at favourable rates. Bhupinder Gill commented that it would be difficult to outsource conveyancing as local firms only had experience of domestic conveyancing. However he informed the panel that they had recently begun a tendering exercise with 20 other authorities for a contract with sets rates they could turn to where extra capacity was needed. This would create economies of scale and, as the Chair had already pointed out, it was an advantageous time to be negotiating such rates.

### **Resolved**

- 1. That the Corporate Services Scrutiny and Performance Panel consider it essential that sufficient levels of experienced and qualified legal staff are retained and as such the budget for this area should be protected.**

### **Transformation**

Members discussed the Debt Collection Service within Transformation and made queries as to the possibility of outsourcing debt. The Portfolio holder for Resources and Personnel commented that it was important to consider the human angle in this and sampling selling on debt could raise issues of mistreatment of some of the borough's most vulnerable people. Whilst Members agreed with this point, they felt that a wider review of debt collection processes should be carried out with particular to the current criteria for referral to an external debt collection service, though giving thorough consideration to the sensitivities of this issue.

Members requested a breakdown of the type, level and age of debt currently owed to the Council. In discussions on the subject of a what stage debt becomes uneconomical to collect, they also felt it would be wise to further investigate which other services could be come up front payment only to avoid smaller invoices having to be raised and chased.

In discussing the Transformation Programme more generally, Members felt that the service had done a good job in recent years of securing efficiency savings across the council and so any reduction in this service itself would be counter productive

## **Resolved**

- 1. That a review of debt collection processes is undertaken including the current criteria for referral to external debt collection services with particular reference to the size of the debt and sensitivity of the debt;**
- 2. That Cabinet consider which further council services could be made up- front payment only in order to reduce the levels of uneconomical debt collections;**
- 3. That Members are provided with a breakdown of the type, level and age of debt currently owed to the Council;**
- 4. That the Corporate Services Scrutiny and Performance Panel would view any additional reductions in the Transformation service to be counter-productive due to the savings they are already securing across the Council.**

## **Corporate Performance Management**

In response to Member queries about the size of the CPM service, Helen Dudson informed the Panel that there were currently 33 members of staff, though this covered areas much wider than just what is commonly understood to be performance management including the scrutiny function, customer care and consultation.

Members were informed that one saving that had already been offered up was a rationalisation of Head of Service posts between CPM and Transformation which would result in the saving of the Assistant Director post currently vacant within CPM.

The Chair commented that this was a complex area of business and most of the functions had a statutory or regulatory obligation to be carried out, therefore whilst it may be possible to divest some of the functions from CPM they would still have to be carried out somewhere within the council and therefore the cost would just pass directly onto services themselves. Sarah Homer informed members that there was considerable pressure from other directorates to carry out more work and capacity was already stretched.

## **Resolved**

- 1. That given the complexity of the work covered by this service, and the requirements imposed on the Council by regulatory bodies, there should be no change to the budget in this area.**

**52/08 Date of Next Meeting**

The date of the next meeting was confirmed as 17 December 2008