

## **CORPORATE SCRUTINY AND PERFORMANCE PANEL**

Thursday 26 February 2009 at 6.00pm

**Panel Members Present** Councillor M Longhi (Chair)  
Councillor M Bird  
Councillor H Sarohi  
Councillor M Flower  
Councillor Turner

**Officers Present** Rory Borealis - Executive Director, Resources  
Tim Johnson – Executive Director, Regeneration  
Michael Tomlinson - Corporate Finance & Treasury Manager  
Sarah Homer - Assistant Director, Strategic Transformation  
Helen Dudson – Acting Manager of Corporate Performance Management  
Julie Black – Manager of HR Operational Services  
Debbie Bicker – Financial Administration & Support Manager  
Colin Teasdale - Performance and Scrutiny Officer  
Matt Underhill – Scrutiny Officer

### **65/08 APOLOGIES**

Apologies were received on behalf of Councillor J Cook; Councillor M Nazir; Councillor M Arif.

### **66/08 SUBSTITUTIONS**

There were no substitutions for the duration of the meeting.

### **67/08 DECLARATIONS OF INTEREST AND PARTY WHIP**

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

### **68/08 MINUTES OF PREVIOUS MEETING**

(annexed)

### **Resolved**

**That the minutes of the meeting held on 23 January 2009, copies having previously been circulated, be approved as a true and accurate record.**

### **69/08 DEVELOPMENT OPPORTUNITIES**

Members were provided with guidance on training opportunities available within performance and scrutiny which would be provided on a demand-led basis, tailored to specific requirements and available in one-to-one format or group sessions. The Chair expressed the view that all Members need to have a strong understanding of Comprehensive Area Assessment (CAA) and called for cross-party participation to ensure this was achieved. Reflecting on the most effective methods for delivering training, a Member noted that at each Audit Committee meeting the Panel receives a short presentation on a particular area to help build their overall understanding and ensure they are updated with the latest developments.

The Chair noted that it would be important to be creative in persuading Members of the importance of training and ensuring it is a relevant and useful to Members. For example in going beyond Performance Indicator (PI) related guidance and assisting them in understanding how the Council spends money and the impact on the local communities they represent. A Member observed that there was some difficulty in identifying the most suitable training for different Members who had differing levels of experience based on the length of their term of office. The Panel also noted the example of changes in planning law as an example of an issue that all Members need to be aware because of the potential impact within their localities. The Chair expressed the view that there was a need for leadership from all political parties on this issue. An officer guided the Panel that significant work was being undertaken in developing Personal Development Plans to support more effective training going forward.

#### **70/08 The Forward Plan as at 9 February 2009 was submitted.**

Members discussed item 8/09 *Area Based Grant* and an explanation was provided by Officers that this related to the submission to Cabinet of the final spending proposals for the Working Neighbourhood Fund (WNF).

In relation to item 63/08 *Implementation of charging policies within Social Care and Inclusion*, Members noted that at previous meetings this panel had made recommendations around the consolidation of the fairer charging team and the welfare rights service and requested to know how this was progressing. Rory Borealis confirmed that an updated report would be brought to the panel at a future date.

A Member also noted that it had been agreed at the last Full Council meeting that funding arrangements with the Citizens Advice Bureau (CAB) should be reviewed. Officers confirmed that this would be reflected in an amended Forward Plan and guidance provided to a future Panel meeting.

**Resolved:**

**That:**

- 1. an update report to be provided at a future meeting on progress toward consolidation of the welfare rights service with the fairer charging team;**
- 2. a report be provided to the Panel, in line with the referral from Council on the CAB grant and SLA. .**

## **71/08 SINGLE STATUS AND EQUAL PAY**

Julie Black introduced the report (annexed) explaining that the purpose of Single Status was to harmonise terms and conditions between manual workers and other staff. She provided guidance that the Job Evaluation process is on target to be completed in May 2009 with the proposed pay model presented to Members for approval to consult this summer.

A Member queried the situation where two members of staff with identical job roles performance at different skill levels (e.g. faster typing skills would mean more work completed). Julie Black explained that the Job Evaluation Questionnaire (JEQ) process ranks the post rather than the individual. The Chair wanted to understand if once the JEQ mechanism had achieved the objective of ensuring all staff were measured by a common denominator so to avoid discrimination, whether it then allowed more productive staff to be rewarded with performance-related pay. Julie Black informed the Panel that while the current pay structure did not permit performance-related pay, models adopted elsewhere did include performance criteria for pay increments and this was an option that could be explored in Walsall. Some Members indicated that they would be supportive of such a model.

Members questioned whether officers would know which services were likely to be hardest hit with financial losses to individuals as if this was disproportionately focussed in some key front line services (e.g. social care or street pride) the Council would be in a much weaker position if it came to strike action due to disruptions to service. Julie confirmed that the software being used for the pay modelling did provide this information so they were able to manage this risk.

A further question centred on when and if strike action could be anticipated. Julie Black responded that it would be difficult to identify a likely time for strike action given the uncertainty over the specific completion date of the process and the requirement for a minimum statutory consultation period of ninety days. Further clarification was sought by the Chair regarding the management of risk in this process and action taken to mitigate risk, including risk in relation to equal pay claims, unforeseen risk, as well as risk specific to Members who he observed would ultimately be accountable for the process. Julie Black advised Members that a steering group chaired by an Executive Director was monitoring the progress of the Single Status process against the plan and

this included the tracking of key risks. The Panel also wanted to understand at what stage they would be advised of significant risk issues. Julie Black indicated that they would report to the Panel as frequently as requested and informed Members that the Portfolio Holder for Finance and Personnel receives monthly reports on the process. However she expressed concerns that given that sensitivity of much of the information involved it would be difficult to share too much detail without potential legal risk being created for the Council. The Chair reassured officers that they had no wish to micro-manage the process and were only concerned from the perspective of the Panel and the wider Membership accountability in the process. He asked that the steering group continue to monitor the risks and report back to the panel on an exception basis if the group felt any risk had reached a level at which members should be informed.

A further Member question centred on why JEQ distinguished between senior and non-senior management posts. Julie Black explained that senior officer roles do not match the criteria set by the National Joint Council (NJC) pay scale and therefore these roles sit within the Hay pay scale which was designed to be sensitive to these areas of responsibility, as a result senior posts have been assessed using a different process.

**Resolved:**

That the single status steering group report back to the Panel once modelling has been completed and in the interim on an exception basis if any risks to the project rise to a level at which members need to be informed.

**72/08 THIRD QUARTER REVENUE & CAPITAL MONITORING 2008/09**

Michael Tomlinson introduced the report (annexed) explaining that it provided a position statement for corporate services for 2008/09. He highlighted that there had been an overspend of £0.143 million when planned use of earmarked reserves, also known as the carry forward, from the last year had been included which represented an improvement on the last quarter position, which was significantly helping the Council wide budget position

A Member sought guidance on why there was an £80,000 overspend recorded for the Revenue and Benefits restructure. Michael Tomlinson explained that it is difficult to predict costs in this service area as a large item relates to the subsidy grant and that in practice a surplus should be shown.

A further question from the Panel was an inquiry as to whether current demand pressure on the service was creating challenges, and whether it might be necessary for a recommendation be made to Cabinet for further

funding to be made available to help clear any processing backlog. A Member asked if there would be more regular monitoring to identify backlogs as well as the processing turnaround time for benefit claimants. Rory Borealis indicated that the service was witnessing increased demand which was compounded by issues around the retention of staff and so the situation would be closely monitored. The Chair sought guidance on when it might be necessary to take steps and mitigate some of the risks to the service by making a recommendation to Cabinet. Rory Borealis confirmed he would be assessing the service before making a judgement about its ability to meet demand and would then report back to the Panel.

**Resolved:**

**That a report be brought back to a future meeting of the Panel on the current position within the Revenue and Benefits Service.**

**73/08 DEBT RECOVERY**

Sarah Homer gave a presentation to Members explaining that it sought to answer a number of the Panel's questions at a previous meeting around business support and how debt is collected. She explained that in terms of the sundry debt of the Council, invoices are raised for between £50 and £60 million annually and some twenty-six thousand individual invoices are raised. . She also explained that the Business Support team comprises eleven members of staff, with three of the team dedicated to pursuing debt, this had been increased to five on a temporary basis following the receipt of additional funding.

Officers advised the Panel that the lowest amount for which the Council recommends services raise invoices is £25. However, some may be lower but continue to be issued as they relate to peppercorn rent received for Council-owned facilities and so must be retained for legal ownership reasons. In conclusion, the Chair extended his thanks to the officers involved in recognition of the performance the Debt Recovery Team has achieved as well as the level of detail in the presentation.

Sarah Homer informed the Panel that the in-year debt recovery rate, for the period April – December, was 89.33% against a rolling twelve month target of 85%. In response to Member questions she explained that no national benchmark existed for the measurement of performance in debt collection across councils as there was no statutory requirement for authorities to supply this information. However, the Council has adopted its own internal performance benchmark, the Beacon Index, against which it monitors the service against internal targets.

Following queries from Members Sarah Homer explained that in accordance with accounting standards a debt exists as soon as the invoice is raised. but that it is chased after twenty-eight days and again at thirty-five days before it is passed to the Debt Recovery Team, while pointing out that the Council had a strong track record of collecting from sundry debtors. In response to a Member query Debbie Bicker explained that debt is initially pursued through telephone chasing and letters, highlighting that often a personal relationship has been formed with the debtor. Sarah Homer stated that a more efficient debt recovery process was being witnessed as part of work undertaken with Transformation.

In relation to the process for raising invoices to relatives of elderly people in care, a Member explained that he was aware of invoices being received for services provided eighteen months previously and the greater likelihood of dispute that this can cause. Leading on from this the Panel wanted to understand whether all forms of action, including legal proceedings, can be pursued for recovering debt. Sarah Homer explained that while all types of action are available, the more serious forms such as proceedings in the County Court, could only be used with the consent of the individual service area. The Panel wanted to know what options were available if the service area declined the use of the full range of debt recovery tools. Sarah Homer explained that it was possible to escalate the issue to senior officers although it was ultimately the individual service area's decision and Member's expressed concerns with this position. In responding to these misgivings Sarah Homer sought to provide some context regarding the challenges faced in pursuing some debtors, this included capacity limits within Legal Services. However she was keen to point out that an effective and supportive relationship existed with Legal Services which was demonstrated by the fact that £330,000 of debt was at present being jointly pursued.

Sarah Homer explained that Transformation have proposed that a Management by Exception process be introduced which would mean that debt would automatically be referred to a Debt Collection Agency (DCA) or the County Court. This approach would require services to indicate when they first pass collection of a debt to the Debt Recovery Team that they permit all types of action that could be taken. However she acknowledged that key concerns would remain for services in granting permission of the Council, including concerns over vulnerable debtors and the poor impression that might be created by the local media in pursuing these individuals. Members resolved that they were supportive of the transformation proposal for management by exception.

In acknowledging the success achieved in achieving an in-year (April – December 2008) debt collection rate of 92%, the Panel noted that 8% still represented a significant outstanding debt of £3.2 million. Sarah Homer expressed confidence that the outstanding amount will be significantly

lower by the close of the financial year.

A Member sought guidance on why statute barred debt was not written-off. Senior officers provided guidance that in-effect these debts were written-off after six years, although there were a number of instances where the Council was still receiving very small payments received over a lengthy period of time. Senior Officers emphasised that they were very rigorous in the collection of debt with a small resource of three to five staff and it was therefore necessary to prioritise where they took action to pursue collection of debt. The Chair also wanted to understand what the cost of carrying this debt burden was to the Council, Senior officers committed to providing this information to Members.

Reflecting on how the issue of debt might be tackled going forward, a Member noted he was aware of some Council functions that accepted advanced credit-card payment for receipt of services although there were many that did not. Sarah Homer agreed that pre-payment had been identified by Transformation, including acceptance of credit-cards and the introduction of flexible payment, as viable solutions. She also highlighted that the Council now received a high volume of online payments.

The Chair wanted to understand whether all options were being used in pursuing the collection of debt. Officers responded that a number of service improvements were underway as well as a other proposals, these include payment being received upfront for services provided; electronic receipts; identification of who is responsible for management if a debt within a service area. Officers expressed the view that this type of action, for example, should lead to a more accurate and fresh electronic paper trail.

A further observation made by the Panel centred on the impact of new arrangements for care plans including the service user receiving funding directly to be used for the payment of services. The concern was that in some instances individuals might not spend the money appropriately, exacerbating the Council's debt collection challenge and that this could be avoided by the up-front payment for services which would mean that the debt was not created. In responding Sarah Homer agreed with the Panel and informed Members that a pilot was underway within the Meals-on-Wheels service which involved advance payment, including where required the lending and clawing back of money to assist residents in paying for the service. She explained to the Panel that some difficulties existed where there was a statutory requirement to provide a service regardless of whether or not a payment has been received from a resident, this would include residential and home care. A Member was keen for the Council to consider pursuing more charges on property for receipt of social care services. The Member observed that in his experience invoices would be raised after a service user had died and by that point it might be too late to

register on the estate.

Following a query from a Member, the Panel were advised by officers that the average debt is thirty-five days, with some debts dating from 2004. However it is often the case that at thirty-five days disputes occur which might include a service user challenging the date the service was provided, its purpose, or cost. Sarah Homer also replied to a Member inquiry that it was not possible to benchmark costs in different services and different categories of debt.

In response to a Member query Sarah Homer explained the collection of council tax was a different process and therefore no economies of scale were available.

Members also asked how good the Council was at paying its own debts. Officers informed the panel that the Council had a seventeen day average and that they were working to bring this down to 15 days next year. Members expressed their contentment with this situation which was quicker than they had anticipated and would help businesses in the current economic climate..

**Resolved:**

- 1. That the panel supports the introduction of a management by exception policy for debt recovery and recommends its adoption and implementation.**
- 2. That senior officers will provide information to Members on the cost to the Council of carrying outstanding debt.**



Helen Dudson gave a presentation to Members that supplemented a briefing note (annexed) that provided details of the new Comprehensive Area Assessment (CAA). The presentation set out the key differences between CAA and the previous inspection regime of Comprehensive Performance Assessment (CPA). She informed Members that contrary to initial indications the new regime appeared to be no less burdensome than its predecessor. However, the assessment would now be focused on area-wide outcomes for residents delivered by the Council and its key local partners, rather than on Council focussed processes.

Helen Dudson also outlined a range of ways in which the Panel and other Members might monitor and review performance under the new inspection regime. This included the role of community leadership within the new partnership arrangements and reviewing performance towards achieving better outcomes.

A Member queried the effectiveness of the new performance regime and wanted to understand its purpose. Helen Dudson responded that while it was a statutory requirement, in her view it should offer a strengthened approach to improving the lives of local residents. She also reported being encouraged by the proactive approach of the Audit Commission's representative for Walsall, Gary Stevens, who has sought to understand the local structure of Council and local partner organisation service delivery which should aid the development of an appropriate performance framework for the borough. The Panel also wanted to more fully understand what their role would be in the CAA environment, while also expressing concern that if so much was being delivered in partnership how could they be confident that the Council is performing, and requested the Gary Stevens be invited a future Panel meeting. Helen Dudson explained that while the CPA grading would no longer be used, the new performance regime would use green and red flags to indicate progress or concerns, while emphasising that significant guidance on a number of areas of CAA was due to be provided by the Audit Commission by May or June. The Chair concluded by observing that it might be necessary for Members to become more involved in performance to assist them in understanding how the Council is performing on behalf of the residents that they represent.

**Resolved:**

**That the Audit Commissions local representative be invited to a future meeting to provide guidance to Members on their role within the new CAA performance inspection regime.**

**75/08 Date of Next Meeting**

The date of the next meeting was confirmed as Thursday 9 April 2009 at

6pm.

*The meeting terminated at 8.00 pm*

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