

SCRUTINY BOARD (STRATEGY AND RESOURCES)

MONDAY, 21ST NOVEMBER, 2016

PRESENT: Councillor K Groves in the Chair

Councillors S Bentley, N Buckley, D Cohen,
H Hayden, S McKenna, D Nagle, A Sobel,
E Tunnicliffe and T Wilford

37 Late Items

The following late information was submitted for consideration of the Scrutiny Board:

- Item 11: Improving Our Procure-to-Pay Process

The information had not been available at the time the agenda was published and despatched.

38 Declaration of Disclosable Pecuniary Interests

There were no declarations of disclosable pecuniary interests.

39 Apologies for Absence and Notification of Substitutes

Apologies for absence were received from Cllr J McKenna and Cllr R Wood.

Cllr N Buckley was in attendance as a substitute member for Cllr R Wood.

40 Minutes - 19 September 2016 and 24 October 2016

RESOLVED – The draft minutes of the meetings held on 19 September 2016 and 24 October 2016 were agreed accurate records.

41 Financial Health Monitoring

The Scrutiny Board considered a suite of financial health monitoring reports, covering revenue spending, the capital programme and treasury management, considered by the Executive Board at its meeting on 16 November 2016.

The following officers were in attendance for consideration of this item:

- Doug Meeson – Chief Officer – Financial Services
- Neil Warren – Head of Corporate Finance – Financial Services

The Chief Officer (Financial Services) gave a summary of the three financial health monitoring reports, which included:

- Revenue budget – projected overspend of £4M (approx.), a reduction of £1M on the previous report.
- Capital programme – setting out an increase in the scale of the proposed programme to 2020.
- Treasury management - forecasting an increase in the Council's external borrowing to £200M (approx.)

The Scrutiny Board discussed a number of areas, including:

- Levels of staffing / staffing budgets;
- Risks to the Council associated with Business Rates retention and Business Rate appeals;
- Business Rate relief for charitable organisations;
- Developer contributions through Section 278 monies;
- The level of projected overspend in Children's Services.

On conclusion of the discussion, the Chair thanked the officers for their attendance and contribution to the discussion.

RESOLVED –

- (a) That the reports and information presented be noted.
- (b) That the Scrutiny Board continues to maintain an overview of the financial health of the Council throughout the remainder of the year.

(NB Councillor D Cohen joined the meeting at 10:20am during consideration of this item.)

42 Use of Agency Staff

The Board received a report from the Head of Governance Services that provided an opportunity to discuss the use of agency staff across the Council.

The following officers were in attendance for the discussion:

- Alex Watson – Head of Human Resources
- Ian Williams – Senior Human Resources Business Partner
- Doug Meeson – Chief Officer – Financial Services

In introducing the item, a number of points were made, including:

- The overall budget allocation for spending on agency staff was around £5.5M. This represented around 1% of the overall staffing related budgets.
- The agency staffing budget was currently overspent, but this was off-set by underspends in other staffing budget areas.
- Over recent years, significant progress had been made in reducing the Council's overall spending on agency staff.

- There was a more rigorous process in place for Human Resources to 'challenge' the use of agency staff across the Council, including regular meetings with service managers where agency staff usage was perceived as 'high'.
- It was recognised that the use of agency staff did allow a more flexible approach to dealing with known, often seasonal, increased demand in some service areas.

The Board discussed the details presented and highlighted at the meeting. In recognising the significant improvements and reductions in the overall spending on agency staff, a number of points were raised and discussed, including:

- The current level of projected overspends on agency staff in the current year.
- The need for a clearer understanding of the staffing base necessary to deliver services.
- Ensuring and monitoring the quality of services delivered by agency staff.
- The need to continue to develop and maintain a skilled workforce, including areas involving specialist skills and knowledge.
- Other approaches to the use of external employment agencies in helping to deliver aspects of a flexible workforce.

At the conclusion of the discussion, the Chair thanked the officers for their attendance and contributions to the discussion.

RESOLVED – That the details presented in the report and outlined at the meeting be noted.

43 Improving Our Procure-to-Pay Process

The Board received a report from the Head of Business Improvement on improving the Council's procure-to-pay process.

The following officers were in attendance for the discussion:

- Doug Meeson – Chief Officer – Financial Services
- Shaun Fogarty – Business Partner Manager – Business Improvement

In introducing the item, a number of points were made, including:

- Procure-to-pay formed part of the Council's review of core business processes.
- A number of short-term and longer-term improvements had been identified.
- Improvement areas had been priorities and were being addressed accordingly.

- Part of the work included a review of the Council's main computer systems, including Financial Management System (FMS).
- Reviewing the number and location of officers able to procure and pay for goods and services; and considering the extension of 'purchasing hubs'.

The Board discussed the details presented and highlighted at the meeting. A number of points were raised and discussed, including:

- The timescales and resources necessary to complete the identified improvements.
- The use of an 'agile development approach' to help identify and prioritise improvements – including 'quick wins'.
- The use of e-billing and e-invoicing, reducing the reliance on paper-based procurement and payment processes.
- Concern that the Council was significantly 'behind the curve' in some aspects of its procurement and payment processes.
- Issues associated with staff training and the level of investment in ICT.
- The levels of safeguards and controls in the Council's procurement and payment processes.
- The need for the Council to be more 'business minded' in aspects of its procurement and payment processes.

At the conclusion of the discussion, the Chair stated the business intelligence details presented and discussed were central to the Board's work in relation to commissioning; the use of waivers; and 'off contract' spend.

The Chair thanked the officers for their attendance and contributions to the discussion.

RESOLVED – That the details presented in the report and outlined at the meeting be noted.

(NB Cllr S McKenna left the meeting at 11:15am, during the Board's consideration of this item.)

44 Work Schedule (November 2016)

The Principal Scrutiny Adviser presented an outline of the Scrutiny Board's work schedule for the remainder of the municipal year 2016/17.

The Board discussed the following main areas for consideration over the course of the municipal year:

- Commissioning (including use of the Leeds £)
- ICT
- Procurement

The Principal Scrutiny Adviser drew the Board's attention to the review of the Best Council Plan (which formed part of the Council's Budget and Policy

Framework) and the proposed involvement of Scrutiny through a 'workshop' meeting, most likely in December 2016.

RESOLVED – That the outline work schedule, including the approach in relation to the review of the Best Council Plan, be agreed, subject to any scheduling decisions necessary by the Chair.

45 Date and Time of Next Meeting

Monday, 19 December 2016 at 10:00am (pre-meeting for all Board Members at 9:30am).

The meeting closed at 12:05pm.