

## POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

24 OCTOBER, 2012

Present: County Councillor Clark (Chairperson)  
County Councillors Bale, Hunt, Jones, Knight, Mitchell,  
Robson and Walker.

Apologies: County Councillor Lloyd

### 27: MINUTES

The minutes of the meeting of the Policy Review and Performance Committee held on 18 September 2012 were agreed as a correct record of the meeting and signed by the Chairperson subject to the following correction:

Minute No 17 – Implementing the Living Wage - Page 5,  
paragraph 5, deletion of ‘Assembly’ to be replaced with ‘Welsh’.

The minutes of the meeting of the Policy Review & Performance Scrutiny Committee held on 3 October 2012 were agreed as a correct record and signed by the Chairperson.

### 28: DECLARATIONS OF INTEREST

The Chairperson reminded Members of their responsibility under Part III of the Members’ Code of Conduct to declare any interest in general terms and to complete personal interest forms at the start of the meeting and then, prior to the commencement of the discussion of the item in question, specify whether it is a personal or prejudicial interest. If the interest is prejudicial Members would be asked to leave the meeting and if the interest is personal, Members would be invited to stay, speak and vote.

### 29: WELFARE REFORM

The Chairperson welcomed Christine Salter, Corporate Chief Officer, Gary Watkins, Operational Manager (Revenues) and Jane Thomas, Operational Manager (Benefits, Finance & Tenant Services).

The Chair advised the Committee that Welfare Reform will have implications for many Council services and that it is important that the

Committee understands the breadth of the implications, especially the financial implications in relation to Council Tax benefit and collection. Officers would therefore make two presentations to the Committee, the first being an overview of the reform and the second giving more detail about the challenges the reform presents for Council Tax arrangements.

The Committee noted from the cover report that the UK central government is undertaking a comprehensive reform of welfare benefits which includes the Localisation of Council Tax Support and a reduction in the amount paid.

From April 2013 the provision of support for Council Tax will be devolved from central government to the Welsh Government and funding will be reduced by 10 per cent. Council Tax Benefit will be replaced by local Council Tax Support schemes. Funding for this Support will be reduced significantly. Initially central government indicated that the cut was to be 10% but it has become clear that the cut in funding for Wales is in reality 20%. If a household currently receives 100% Council Tax Benefit, the new arrangements will mean 80% of their Council Tax bill is covered.

The Welsh Government has confirmed that, unlike the Scottish national Government and local government, it will not fund the shortfall. The Welsh Government is proposing the same cut for all benefit claimants and, unlike in England, it will not be protecting pensioners.

The funding for the new Support will also be cash limited and will not grow with demand; this is of great concern given the increase in Council Tax Benefit expenditure in recent years: since 2008/9 expenditure on Council Tax Benefit in Cardiff has increased by £7.2 million (8% a year on average). Of this increase £4.4 million is due to growth in demand.

35,000 of the poorest households in Cardiff currently claim Council Tax Benefit. 27,500 currently receive full benefit and do not need to pay any Council Tax, and 7,500 currently receive partial Council Tax benefit.

In England, councils will be allowed to reduce or abolish some of the existing exemptions and discounts. This extra income can be used to reduce the impact of the cut in funding for Council Tax Support. This is not currently possible in Wales.

The Council will need to collect an extra £6.7 million in Council Tax from low income households. It is likely that as much as 50% of this amount will never be recovered and will have to be written off. This will represent lost income to the Council, as central government will assume that 100% of the additional Council Tax charged will be collected.

There is very little time to introduce the scheme by April 2013, as draft regulations for Wales have only recently been released and still need to pass through the Assembly.

The first presentation was given by Jane Thomas and outlined the implications of Welfare Reform.

The Committee was informed that this is the biggest change to the welfare system in over sixty years. The reform includes the following changes:

- Housing benefit rates have been reduced for most private tenants.
- There is to be a benefit cap. From April 2013 total benefits received is to be restricted to average earnings.
- There will be Social Housing Size Restrictions for claimants. From April 2013 social tenants who under-occupy will have their Housing Benefit limited.
- Universal Credit is to replace Housing Benefit and many other welfare benefits.
- Council Tax Benefit is to be replaced by the Welsh Council Tax Support Scheme and cut by approx 20%
- There will be changes to other benefits, such as Incapacity Benefit, Disability Living Allowance and Working Tax Credits.
- Sanctions may be applied to claimants. Those claiming Job Seekers Allowance, for example, may have their benefit stopped for up to 3 years if it is thought that they are not actively seeking work.

The Committee was advised that some of the possible impacts of the reform may include increases in homelessness, personal debt and crime.

And with the loss of Legal Aid Funding advice services may come under increased pressure.

The Committee was advised that 2,300 council tenants in Cardiff will be affected by the Social Housing Size Restrictions. The Council is now writing to those tenants to inform them of the changes and advise them of their options.

The Committee was advised that it will be important to keep private landlords onboard as the changes come into effect and ensure that they remain willing to continue to rent their accommodation to benefit claimants. Where possible, the Council will be encouraging some tenants to move to smaller properties which are in lower Council Tax Bands.

The Committee was informed that Universal Credit claimants will be expected to make their claims online. This is causing concern because not all claimants may have access to a computer and the internet. The Credit will be paid directly to claimants, including the housing benefit element. Payments will be made monthly and this also causes concern because the transition from weekly or fortnightly payments to monthly payments may be difficult for claimants and because claimants may have ongoing problems budgeting so that their benefit lasts until they receive their next payment.

The Committee was advised that the Council is also represented on a multiagency task group (with the Police, Health and voluntary sector) to identify and prepare for the implications of the change in national policy.

Gary Watkins gave the second presentation, which gave more detail about the challenges the reform presents for Council Tax arrangements.

The Committee was informed of the following:

- The Council Tax Support Scheme to be introduced by the Welsh Government will be an All Wales scheme with no protection to any category of claimant.
- 27,500 Cardiff customers who currently receive full Council Tax Benefit will receive demands for approx 20% of the charge.
- This includes over 10,000 pensioner households.

- 7,500 Cardiff customers are currently in receipt of partial Council Tax Benefit and they will see the value of that benefit reduce by 20%
- This includes over 3,000 pensioner households.
- The Welsh Government is currently lobbying for improved funding.
- The final position will be known in December 2012

In terms of the impact of the reform the Committee was advised that it is estimated that:

- 60% (16,500) of Cardiff customers may not pay the charge in full by the end of the next financial year.
- 16,000 more reminders would need to be sent and this would result in a 25% increase in workload for the Council.
- 8,000 more summonses may have to be issued, resulting in a 40% increase in workload.
- 16 more court hearings may have to take place, resulting in an 80% increase in workload.
- 6,400 more Liability Orders may have to be obtained, resulting in a 40% increase in workload.

The Committee was informed that other potential implications include:

- An increase in the amount of customer contact that is likely to have to take place; telephone calls, emails, letters and face to face enquiries from customers
- An increase in customer complaints.
- An increase in political enquiries.
- A considerable amount of time would have to be spent dealing with smaller debts.
- It is unlikely that existing resources would be able to cope with increasing demands.
- Revenues collection workload will increase by 40 – 50%

The Committee was advised that the overall effect of the reform may be:

- An increase in financial hardship.
- An increase in child poverty.
- A widening of the gap between rich and poor.
- An increase in the cost of collection.
- A reduction in the collection rate and the spending power of the Council.

The Committee was informed that options open to the Council include:

- Continuing to lobby the Welsh Government to increase funding.
- Lobbying the Welsh Government for discretion to vary Council Tax discounts or exemptions and use additional income to offset the budget shortfall for Council Tax Support Scheme, an option that would give parity with England.
- Using the powers under section 13A of the Local Government Finance Act 1992 to reduce charges to effected households, an option that would have to be costed within the Cardiff budget for 2013/14
- Allowing bills to go out at 20% or more.

The Committee was advised that if bills of 20% were issued, the debt of those claimants who did not pay would accumulate due to the additional costs of the Council's attempts to recover the money. For an initial Council Tax bill of £165, the following additional costs could be incurred:

- The issue of a summons would generate an additional cost of £70
- After a Liability Order had been obtained the first visit by a bailiff would add an additional cost of £22.50
- The second visit by a bailiff would add an additional cost of £16.50
- A Distress Levy would add an additional cost of £42

The Committee was informed that after these costs had been applied the original debt of £165 could result in a total debt of £316 and that £151 of this total would be costs. It is of some concern to officers that those people who are already experiencing severe financial hardship are most

likely to be the people who are unable to pay even 20% Council Tax and will therefore incur these further debts.

The Committee was also advised that the differences in which the way the reform is being implemented in different parts of the UK is likely to generate interest from the press.

The Committee was informed that the indications from central government are that a better financial settlement will not be achieved and that at present the Welsh Government does not have the funding available to provide further support.

The Committee was advised that although the Council will be communicating the reform to customers it is likely that a lot of people may well disregard this information until they receive a Council Tax bill in January 2013. Once that happens it is expected that the Council will receive a large number of telephone calls about the bills and that existing resources may not be sufficient to cope with the volume of calls.

The Committee was informed that it is likely that the Council will not be able to collect 100% of the Council Tax that will be owed and will have to decide whether to write off at least some of this debt.

Gary Watkins ended his presentation and the Chair invited Members to ask questions.

The Committee enquired how it will be possible to inform people about these changes when there still appear to be many unknowns.

The Committee was informed that there is only a very short period of time in which to prepare for and introduce these changes. Therefore it is important that the Council begins to communicate with customers as soon as possible.

Noting that quite a number of people who currently receive Council Tax Benefit are unlikely to be able to pay their Council Tax once these changes have been introduced, the Committee enquired whether the Council would wish to factor in the powers it has under the provisions of Section 13A of the 1992 Local Government Finance Act. The provisions of Section 13A empower local councils to reduce liability to Council Tax by applying a reduction either in particular cases or by determining a class of case.

The Committee was informed that the Section 13A powers are quite wide-ranging and that no decision has yet been taken on whether they should be used. This decision has to be made in the context of reforms to other benefits and the Council might decide to establish the impact of other cuts before it decides where to use Section 13A. However, the Welsh Government may agree to some exemptions.

The Committee asked at what stage would the recovery of debt become uneconomical.

The Committee was informed that the Council will be contacting customers to advise them of various payment options. These might include the option to pay over twelve months rather than ten and, for those who are paid weekly rather than monthly, the option to pay more frequently, such as every fortnight. If more summonses have to be issued the court may not be able to accommodate the extra sessions that will be needed for hearings. The Council might have to decide on a minimum sum below which recovery becomes uneconomical. It is unlikely that debts will be written off but will instead be carried forward as arrears. Regarding collection after there has been court action, the most effective way of collecting is by deduction from benefits. It is likely that Council Tax debt for some families will increase year on year. However, the Council is obliged to do what it can to collect Council Tax.

The Committee noted that no funding has been agreed for the implementation of the scheme, and the computer software costs alone would be £65,000.

The Committee was advised that the computer software for Council Tax billing and the software for benefits are from the same provider and share the same database. Because of the reform changes have to be made to it. The Welsh Government is providing no one-off funding for these implementation costs.

The Committee asked whether the computer system will be ready in time.

The Committee was informed that software developers are aiming to have it ready by 12 December 2012. However, it is always possible that the system might have some bugs. It has to be tested and ready by March 2013.

The Committee enquired whether local authorities are collaborating in order to make sure that they are ready to implement the reform.



The Committee that the major focus for each local authority is to prepare itself for the changes. In terms of the software that is used, most local authorities in Wales use the same software. There may be some collaboration with regard to training staff to make sure they are ready for the changes and collaboration in other ways could be looked at in the future.

The Committee asked for an outline of the risks of liability that the Council could face if incorrect Council Tax bills are issued due to software flaws.

The Committee was advised that, if necessary, some form of rider would have to be included on the bills, saying that it might be necessary to re-issue bills which are found to be incorrect.

The Committee enquired whether any assessment has been done on the number of additional staff that may need to be employed in order to deal with the increased workload resulting from the reform.

The Committee was informed that an assessment of this has been started. The picture is not yet clear but it does look as though a significant number of additional staff may be required.

The Committee was advised that it is likely that additional staff would be temporary. When considering whether there is a need for extra staff the Council will be focussing on the year end in March and on the need to make sure that bills are issued in time. New staff will have to be trained by January 2013. At the moment it is not possible to say precisely what the long-term effect of the reform will be in terms of workload, and that will be easier to judge once the reform has been implemented.

The Committee was advised that the communication strategy is crucial. If the Council gets this right then the level of enquiries about the reform and the bills that have been issued may not be as much as is expected. However, the Council does not want to be in a position where it receives a high volume of calls in January 2013 and does not have the capacity to deal with it.

The Committee advised officers that trying to get parity with English local authorities, who will have greater flexibility in the way they implement the reform, is definitely the right approach. The Committee asked who would be responsible for the necessary lobbying.

The Committee was advised that Gary Watkins and Jane Thomas would be part of the lobbying group, along with treasurers from other local authorities in Wales.

The Committee asked the officers if they knew why the Welsh Government has taken the position it has.

The officers advised the Committee that they find it hard to understand the logic in the way the Welsh Government is to pass on funding to the local authorities. It will not be paid as a specific grant. Some authorities will win, others will lose.

The Committee noted that all Council Members will require some training on this reform in order to help them deal with the enquiries that are likely to come up in their surgeries.

In conclusion the Chair thanked the officers for their attendance, for their presentation and for responding to Members' questions.

AGREED – The Committee agreed to write to the Cabinet highlighting the following issues:

1) Timescales.

The Committee noted that timescales are short between the Council receiving its final settlement from Welsh Government in December 2012 and the Council agreeing its Council Tax Benefit Scheme at the end of January 2013, recognising this makes factoring the required support into budget discussions difficult. Members agreed to monitor developments closely, will programme further consideration when the Cabinet considers its Council Tax Benefit policy in December, and wish to receive briefing papers as appropriate.

2) Council Tax Collection.

Members took on board that the Council, as a tax collection body, has a legal responsibility to collect Council Tax; that the welfare reform implications for Council Tax Benefit will mean significant numbers of households previously eligible for Council Tax Benefit will now be required to pay a 20% bill; and therefore the Council is facing a potential increase in Council Tax debt for 2013/14.

The Committee was concerned that the changes may result in increasing costs of Council Tax collection to a point at which it becomes uneconomic to recover the debt. Members heard it would be unlikely that Council Tax debts would be written off, though this may be the case in extreme situations, therefore the Committee wishes to encourage the Council to offer options of part payment and payment over twelve months rather than ten.

### 3) Regional Solutions.

Members noted there are currently all Wales software solutions under development and wish to encourage participation in such regional solutions, and particularly in respect of training. The Committee had concerns that IT costs of supporting welfare reform are to be funded in England but not by the Welsh Government.

### 4) Lobbying.

Members consider it appropriate for the Council to continue lobbying Welsh Government through the various working groups in which it participates, and would like the Cabinet Member to forward a copy of the Council's response to the Welsh Government Consultation to the Committee.

### 5) Staffing.

The Committee felt it was a matter of concern that it is difficult to predict what numbers of additional staff will need to be in place by January, and for how long the requirement will be.

### 6) Communications and Support.

Finally, given the significant changes ahead and the potential impact on many Cardiff residents, the Committee feel it is essential that a communications strategy is put in place at the earliest stage to enable a significant impact on the number of queries we receive.

In addition the Members identified that Council support to Advice Agencies, and for Councillors in delivering their community advice roles, will be critical.

30: PERFORMANCE – QUARTER 1 – 2012/13

The Chairperson informed the Committee that Council Leader, Councillor Heather Joyce, had sent her apologies as she would not be able to attend the meeting for discussion of this agenda item due to two other commitments.

The Chair welcomed Mike Davies, Head of Service (Scrutiny Performance and Improvement).

The Chair informed the Committee that Mike Davies had been invited to brief the Committee on the current position in respect of performance and facilitate a discussion of the Committees performance reporting needs in future.

The Committee noted from the cover report that performance reports prepared for consideration by the Cabinet are routinely included in this Committee's papers as they become available and that the Committee last considered performance in July 2012, when Members were advised that in future performance reports will be considered by the Cabinet prior to being made available to Scrutiny Committees for their consideration.

The Committee has frequently highlighted the importance of performance monitoring arrangements, routinely scrutinising the previous exception-based style of performance report on a six monthly basis, and taking the interim quarterly reports for information only. The new Committee has agreed this is an appropriate way forward.

In future, quarterly performance reports will focus on the delivery of the Administration's priorities as outlined in *Leading Cardiff - Building Communities* and against specific indicators drawn from portfolio responsibilities. Therefore, with effect from Quarter 2, quarterly reports will be prepared on that basis, allowing for trend analysis to be undertaken on an appropriate basket of indicators.

Mike Davies gave a presentation to the Committee.

The Committee was advised that the Cabinet is currently finalising the style and format of the QA report.

The Committee was given two examples of previous types of quarterly reports. The Quarter 3 report from 2009/10 was a type of report that tended to reflect the corporate plan at the time. It did not contain any milestones to test and contained about 100 Performance Indicators.

However, the view was taken that this type of report contained too much information that was not easily digestible.

The second example, the Quarter 1 report from 2011, shows a report type that gives very much an overview. This report shows that 500-600 Performance Indicators are being monitored but the report is much easier to read. But one of the Committee's concerns was that the Cabinet (formerly Executive) Member, in being able to self-select which Performance Indicators went into the report, could limit the information entering the public arena.

The Committee was advised that in future Cabinet Members will be able to select a basket of indicators that the Member feels will be of interest to the public, and these indicators will remain the same over that year.

Mike Davies ended his presentation and the Chair invited Members to ask questions.

The Committee asked whether Cabinet Members alone would select the indicators to be included in the basket.

The Committee was advised that Cabinet Members will be given a list of 100 indicators and be asked to choose 10 from that list. These are the indicators that will be reported on each quarter, together with the relevant trend analysis.

The Committee asked what degree of officer input there would be if the Cabinet Member did not get the selection right.

The Committee was advised that Chief Officers will have a considerable amount of involvement with their respective Cabinet Members at the initial selection stage. By using the same indicators in each quarterly report trends can be identified over a year.

The Committee enquired whether it is yet known how many indicators will be used over a longer period.

The Committee was informed that most of the indicators that are to be monitored are set by the Welsh Government. The Council has now brought the number that it uses down to about 500 and this may be reduced still further. It is hoped that the basket will contain the key indicators. This will be this administration's first attempt to create an

effective performance monitoring system and it is likely that it will evolve.

The Committee noted that the report does not say, for example, whether Cardiff Council is in the top quartile as compared with other local authorities.

The Committee was informed that at the moment Performance Indicators will be used to make comparisons with several other local authorities.

The Committee stressed that it will be important to make sure that the indicators that are chosen as the basis for quarterly reporting are the key ones. In the past it has been found that reports have not contained enough financial indicators on, for example, amounts spent, amounts saved and costs per unit. It would be beneficial for the Council to look at English local authorities that are responsible for cities that are comparable in terms of size and demographic, such as Coventry or Bolton.

The Committee was advised that comparisons can sometimes be a problem because changes in legislation make it difficult to compare like with like. What is needed is a balance between indicators that reflect performance and those that chart trends. And it is not just about measuring performance but also looking at what the authority is doing in terms of managing performance.

The Committee pointed out that the Welsh Government produces a report that compares the performance of different local authorities.

The Committee was advised that this is really more of a press release than a report. It is a list of about 50 indicators gathered from the Welsh Data Unit. A set of indicators is chosen each year and from these a 'league table' of local authorities is drawn up.

In conclusion the Chair thanked Mike Davies for his attendance, for his presentation and for responding to Members' questions.

AGREED – The Committee agreed to write to the Cabinet highlighting the following issues:

- 1) New reporting format.

The Committee was interested to hear that the Cabinet will be considering a new performance reporting format in December 2012 that

will include a basket of performance indicators selected by each portfolio holder.

## 2) Comparisons with other local authorities.

It would be beneficial for the Committee to be presented with a means of comparing Cardiff's performance with other authorities, both Welsh and English comparators. The Committee would wish to consider the annual Welsh Government local government performance report as a routine part of its work programme.

## 3) Offer of a bespoke performance report for the Committee.

There was some feeling amongst the Committee that it would be preferable for Members to comment on a draft report, rather than constructing its own performance report from inception. Therefore the Committee suggests that the Committee's Principal Scrutiny Officer liaise with the Corporate Performance team, in liaison with Committee Members as appropriate, to compile a bespoke draft performance report for consideration by the Committee on a six monthly basis. Members will then be afforded an opportunity to comment on a draft, and agree the format at a future meeting.

## 4) Alternative Approaches.

Some Members felt there was an opportunity for exploring alternative performance management approaches and this may present some opportunity for a task and finish inquiry in the future.

## 5) Resources.

The Committee would welcome the Cabinet Member's written assurance that appropriate resource and expertise will be allocated to assist with the Scrutiny Committee's performance reporting requirements.

## 31: TRANSFORMATION PROGRAMME

The Chairperson informed the Committee that Councillor Russell Goodway, Cabinet Member (Finance, Business & Local Economy) had sent his apologies as he was unable to attend the Committee due to meetings he has in London. However, he is keen to address the Committee on the transformation programme at a future meeting.

The Chair welcomed Andrew Kerr, Chief Operating Officer (Elected Members).

The Chair advised the Committee that Andrew Kerr has been invited to update the Committee on transformation activity to date, the outturn achievements of 2011/12 and the position at this point in 2012/13.

The Committee noted from the cover report that the Transformation Portfolio is the change programme currently in place to improve efficiency in the delivery of Council services. The Transformation Portfolio of projects has been delivered in Waves 0, 1 and 2. The Committee has historically monitored the progress of this programme on a six monthly basis, and last received a briefing on Wave 2 in January 2012. Wave 2 represents the latest projects added to the programme.

The October 2012 meeting marked the first opportunity for scrutiny and consideration of the Programme by the newly elected Committee, and the first opportunity to monitor the savings and expenditure incurred at the outturn of 2011/12 and Quarter 1 2012/13.

Andrew Kerr gave a presentation to the Committee.

The Committee was informed that Transformation is the word presently used to describe activities around change within the organisation. The aim is to take an overview of things going on within the organisation, in terms of services provided and savings made.

The Committee was advised that the Council had realised that previous approaches to implementing change had not brought the results that were hoped for. The Council then introduced a portfolio approach to transformation and there have been two phases to this. The first phase lasted from 2009 to early in 2012. The second phase, taking place within the last six months, has been a re-focussing of the approach to make sure that change is delivering savings. It is also important to make sure that change is something that becomes embedded within the organisation and not just something that happens now and again.

The Committee was informed that in 2011/12 the Council saved approximately £8.5 million but had to invest funding order to save that amount.

The Committee was advised that some issues had to be addressed. The ownership of change has not been as good as it should have been. The



language used to express the principles and objectives of change was felt to be too complex and needs to be simplified. And the spend to benefit ratio needs to be brought down.

The Committee was informed that the number of projects within the Transformation Portfolio has reduced from 54 to 32 to 26. The transformation approach is to take a functional look at things and ask the question; is there a way of doing things better? This is being looked at right across the organisation. It is thinking in terms of systems and attempting to take the waste out of processes.

The Committee was informed that the Council will need to continue to change in the future and to retain its capacity to change, especially in the current financial climate. There has to be organisational change and savings have to be delivered.

Andrew Kerr ended his presentation and invited Members to ask questions.

The Committee asked whether much of the spend for the current phase of transformation will be on Information Technology.

The Committee was advised that there is a need to invest in new technology in order to make savings and this investment needs to be mapped out now.

The Committee pointed out that a local authority is a very diverse organisation and asked the officer to elaborate on the type of measurements that feature in the programme, especially in relation to customer service, which is somewhat intangible and has to be measured in terms of quality not quantity.

The Committee was advised that there has to be discipline on measurements and there are a number of mechanisms in place to achieve this. There is a Benefits Realisation Board, which checks and double-checks and looks in detail at the benefits that are emerging. It gives early signals when projects are not delivering what was promised. In terms of customer services the measure is a customer's satisfaction in the service they have received; how many customers are there, are they happy with the service they have received and what can the Council do to improve the service they have received?

The Committee was advised that customer surveys are not always reliable but surveys do indicate that in the view of its customers Cardiff Council is doing reasonably well. The Council is now getting a sufficient amount of data on this and will soon be able to give it further analysis by breaking it down in terms of ward, area, etc.

The Committee asked which of the 54 projects listed in the report were still ongoing.

The Committee was informed that some of the projects have come to a natural end but there are others that should be embedded in the organisation and continue. The Committee can be provided with a list of those projects that are continuing, those that are due to finish and those that have finished.

The Committee enquired whether the transformation review has been looking at contracts that are awarded, particularly to see if they give value for money. The Committee asked whether it would be useful for a sub-committee to look at contracts over £100,000 in this respect.

The Committee was advised that the matter of contracts is being looked at. Lots of lessons have been learned, one of the major ones being the need to engage more with service areas. There is not enough of an overview. Service areas do know what their requirements are but there is not enough standardisation. Some service areas are better than others at implementing this.

The Committee noted that the Portfolio Performance Report referred in several places to Category Management and asked for more information on this. The officer undertook to give the Committee a briefing on Category Management at a future meeting.

The Committee pointed out that it would be useful for the Council to make itself aware of the extent to which other local authorities are implementing similar transformation projects and how successful those projects are. The Council may be able to learn things from other authorities.

The Committee enquired whether, in regard to the transformation project, anything has been ruled out.

The Committee was advised that nothing has been ruled out. It is expected that the Council will get to a point where it is spending £55

million less than it currently spending. With similar projects, local authorities can expect to save about £70 million to £80 million out of efficiency savings but after that a point is reached where the Council has to start doing things differently to make more savings. But change is something that has to be constantly revisited in order to identify opportunities for change and needs for change.

The Committee asked what Income Management, referred to in Appendix 2 of the report, actually means.

The Committee was advised that Income Management is about doing things in a more standardised way. For example, Direct Debits; these are offered to customers as a means of paying Council Tax but not as a way of paying leisure centre subscriptions. And when this payment type is offered by two different service areas, each service area might have its own, different, interface for arranging these. It would be more sensible and efficient if there was more standardisation across the Council.

In conclusion the Chair thanked Andrew Kerr for his attendance, for his presentation and for responding to Members' questions.

AGREED – The Committee agreed to write to the Cabinet highlighting the following issues:

1) Future Progress.

The Committee has routinely received six monthly progress reports on the above portfolio of projects and Members noted that whereas previously consultants had been used to introduce change quickly, the number of consultants has been significantly reduced, and that there are likely to be adjustments to the programme; a move to embed change into the organisation and greater engagement with service areas. Members suggested it may be beneficial to look at the change programmes of other authorities.

2) Spend to Save.

Throughout its engagement with the Transformation programme the Committee has often highlighted that potential savings may require some investment up front. Members noted that spend on IT has been low to date. They also heard that spend to save is currently higher than would be expected as the programme progresses.

The Committee was pleased that projects are resourced and prioritised according to their savings potential and that there remains a commitment to identifying savings.

### 3) Monitoring.

Members expressed an interest in how the projects are monitored, and are particularly interested in the service benefits from a customer service perspective. They were interested that in future there is to be a business plan for each project and that it would be useful to revisit projects in 4-5 year cycles.

### 4) Further information.

The Committee would like more information in respect of the Wave 2 projects. They would like a clear list of Wave 2 projects which identified those it was felt inappropriate to proceed with and those that remain.

Members would like the Chair to arrange for consideration of the category management approach to procurement on their work programme.

## WAY FORWARD

The Committee discussed proposed Task and Finish Inquiry topics for its 2012/13 work programme: Public Engagement in Scrutiny and Performance Management. Nominations were sought for the first inquiry to take place.

**AGREED** – that the Public Engagement in Scrutiny Task and Finish Inquiry would commence as soon as possible and that the Performance Management Task and Finish Inquiry would be considered at a later date. Councillors Clark, Knight, Mitchell, Robson to be nominated to sit on the Public Engagement in Scrutiny Task and Finish Inquiry.

The meeting finished at 7.55pm