

OVERVIEW AND SCRUTINY COMMITTEE MINUTES

2 NOVEMBER 2010

Chairman: * Councillor Jerry Miles

Councillors:

* Sue Anderson	* Paul Osborn
* Kam Chana	* Bill Phillips
* Ann Gate	* Sachin Shah
* Barry Macleod-Cullinane	* Stephen Wright

Voting Co-opted:

(Voluntary Aided)	(Parent Governors)
Mrs J Rammelt	Mrs D Speel
† Reverend P Reece	

* Denotes Member present
† Denotes apologies received

63. Attendance by Reserve Members

There were no reserve Members.

64. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 8 – Business Transformation Partnership

Councillor Paul Osborn declared a personal interest in that he had been the Portfolio Holder for the business transformation remit and also the Chair of the BTP Panel. He advised that he would remain in the room whilst the matter was considered and voted upon, unless specific decisions were raised which he might have been responsible for.

Councillor Paul Osborn further declared in respect of the Gifts and Hospitality Register that he had been the recipient of hospitality from Capita as the former Portfolio Holder.

65. Minutes

RESOLVED: That the minutes of the meeting held on 26 October 2010, be taken as read and signed as a correct record.

66. Public Questions, Petitions and Deputations

RESOLVED: To note that no public questions were put, or petitions or deputations received at this meeting under the provisions of Committee Procedure Rules 19, 16 and 17 (Part 4B of the Constitution) respectively.

67. References from Council/Cabinet

There were no references.

RECOMMENDED ITEM

68. Draft West London Waste Plan Proposed Sites and Policies Document

The representative of the Corporate Director Place Shaping introduced his report detailing the progress to date in preparing the Proposed Sites and Policies Consultation Document, a key stage in the preparation of the joint West London Waste Plan. He advised that there were 3 existing sites within Harrow but that he anticipated only one site within Harrow would go forward as consideration for one of the proposed future locations.

The Committee noted that the Plan would be one of the policy documents which would comprise the overall Local Development Framework for the Borough which would eventually replace the Unitary Development Plan. The report had been prepared jointly by the six west London boroughs of Harrow, Brent, Ealing, Hillingdon, Hounslow and Richmond.

A Member referred to the sizing of such sites and also queried whether the performance indicators utilised within the report would continue to be relevant following recent decisions by government. The officer confirmed that the lowest optimum site size was approximately 0.9 hectares and that although he anticipated the Performance Indicators would cease to apply the requirements for such provision remained with LATs.

A Member queried whether the Kodak Site had been considered as a viable option, as part of a larger relocation of civic amenities, including the Civic Centre, on the site. The officer stated that all sites considered were set against a robust methodology criteria and the Kodak Site had not met the threshold required for consideration to go forward. However, he accepted that this could be a proposal that the Council might seek to revisit in the future.

A Member queried alternative sites not within Harrow and it was confirmed that other sites would come through from the partner authorities for consideration. A decision on a future location would not be made until all such potential sites had been considered.

A Member noted that the content of the consultation was jargonistic and contained numerous acronyms. He queried how officers would make the document more accessible to the public in term of language and content. The officer agreed that the document was comprehensive, noting that it also served as the consultation vehicle with the waste industry. He advised that the Council utilised a specific consultancy partner who undertake a range of consultation measures, including video blogging to ensure the information was understood by the widest possible audience.

Resolved to RECOMMEND: (to Cabinet and Council)

That the Draft West London Waste Plan: Proposed Sites and Policies Consultation Document be approved for the purposes of public consultation.

RESOLVED ITEM

69. The Business Transformation Partnership

The Committee received a report outlining the background to the Business Transformation Partnership, describing its way of working and detailing past and present aspects of the overall programme.

The Director of Business Transformation and Customer Services advised that the original agreement had been entered into in October 2005 and that there was an option to extend the agreement after 5 years. She explained the operating practice, based on “open book” methodology and a fixed price financial modelling. She outlined the robust processes in place to ensure the Council received full value, noting only upon milestone points within projects were payments released to Capita. She then outlined the inception of a initial business case to the production of a full and viable Business Case for implementation. She further noted that the costs of Business cases were fixed at the initial and full stages and were index linked to control rises in future years.

The Director further explained, with the assistance of her Project Manager, the processes used for project management methodology, noting these were derived from the Prince2 processes and that a completion aspect of “lessons learnt” was an integral part of this delivery.

A Member referred to the IT System uses and queried whether consideration had also been given to systems such as “Sprint for BPR purposes and it was advised that Capita utilised its own BPR system process which officers had examined and were satisfied were of a comparable standard to Sprint.

The issue of process mapping of services was raised and whether this was used across the Council and also revisited after a period of approximately

2-3 years being in operation and whether there were any challenges in making the cultural change required by the proposals both underway and planned. The officer advised that all process maps produced were held by the relevant Service Manager and that at this point in the partnership a revisit of successful implementation had not occurred as the projects were less than 3 years old. She further noted that outside the specific mapping undertaken by Capita very little process mapping had taken place within the Council. She agreed that Capita had faced some challenges in the early days with the Capita project areas. However, officers felt that a depth of understanding and culture change was becoming embedded. To this end training of 16 staff members had been undertaken in the principles of LEAN which it was hoped would contribute to improving service delivery from an internal resourcing across various business responsibilities. If the implementation of such MEAN champions was successful the aim would be to increase the number of staff members with such skills.

A Member noted the costs and opportunities within the contract and asked how officers guaranteed best value against open competition processes and outlined examples in respect of the impacts of IT outsourcing, impact of the voucherising of social care clients and the proposals around meals on wheels outsourcing. The Director responded that the original Capita contract had been let on an open competition basis to allow full comparison against potential strategic partners. The controls on best value were derived from ensuring full completion of the projects initiated and agreed by Capita and the Council and in ensuring a limit was placed on the allowable profit margin of Capita.

A Member noted that the report did not identify any disadvantages of the partnership to Harrow and the Director responded that the entering into the original contract was a Council choice and given the aim was to create a strategic partnership relationship she did not immediately consider there to be any significant disadvantages.

In referring to the table of projects undertaken or underway a Member indicated he would have welcomed a note indicating which projects had attracted fines / other penalties in the course of completion and the Director agreed to provide this to all Members.

A Member raised the issue of the contract threshold of £100million and queried what stage the Council was at against this limit. The Director responded that the completion of the IT Outsourcing would bring the overall contract with the Council very close to the £100 million threshold. The Member further queried if this would result in limits being applied to future projects and the Director confirmed that those projects currently within the Project Plan would be unaffected.

A Member referred to the level of engagement by Council Directorates, in particular that of Children Services and the Director responded that the LEAN Project for the Directorate had been completed successfully. With regard to other engagement she advised that with exception of the Special Needs Transport Project, Children's Services were not specifically targeted, although they would be a component of the Administration Hubs project.

A Member suggested that the level of involvement by Portfolio Holders / Cabinet etc should be considered at an earlier stage citing a previous occasion when he was a Portfolio Holder.

A Member asked whether exercises were undertaken with other boroughs in terms of lessons learnt to inform potential future projects and decisions and it was advised that there was a structured process in this respect which considered people, process and technology.

A Member asked for and received an explanation of business warehouse and middleware. She then queried how often Director's did not utilise the Capita contract partnership to move projects forward and it was advised that there remained a significant number of projects undertaken which did not involve Capita.

Referring to the previous discontinued HARP 2 project a Member asked for clarification on what the benefits to the customer would have been and it was explained that the benefits lay in the electronic document storage and processes which would have contributed to faster response times.

A Member questioned whether the level of the 11% profit limit on the Capita Contract should be revisited and a reduction in this percentage amount sought. He identified an example in respect of Adult Services which had resulted in a decrease in costs as a result of competitive tendering processes. The Director advised that a robust challenge was applied to projects but, that it remained an option to the Council to market test this issue if it wished. She further noted that the Rate Cards that Capita used in applying costs to projects were available for public examination to allow Councils to confirm whether they felt they received best value.

A Member then questioned whether a later examination was undertaken after implementation to consider whether the assumptions around what the project was intended to achieve had been fulfilled. The Director advised that upon request this had been carried out, although no general process was in place to undertake. She agreed to circulate information in relation to the MIS Uptake.

A Member then addressed the expenditure to date on the Capita contract as compared to the savings identified with the report. The Director explained that the savings detailed related to a performance target and the actual savings were in the region of £90million.

A Member suggested that consideration be given to putting in place a persistent process rather than simple Service Level Agreements with partners / voluntary organisations and questioned whether this course of action was being considered. The Director responded that this was not currently the practice and that she felt that a better process would be to equip staff with the skills and undertake this within the skills of the council workforce using the LEAN process.

The Chairman then thanked the Director and her Project Manager for their attendance.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 9.20 pm).

(Signed) COUNCILLOR JERRY MILES
Chairman