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## **KIRKLEES COUNCIL**

### **CORPORATE SCRUTINY PANEL**

**Friday 31st August 2018**

Present: Councillor Gulfam Asif (Chair)  
Councillor James Homewood  
Councillor Hilary Richards  
Councillor John Taylor  
Councillor Bill Armer

Co-optees Philip Chaloner

Apologies: Linda Summers (Co-Optee)

**1 Minutes of the Previous Meeting**

That the Minutes of the meeting of the Panel held on 3 July 2018 be approved as a correct record.

**2 Interests**

No interests were declared.

**3 Admission of the Public**

It was agreed that all agenda items be considered in public.

**4 Transformation Programme - Procurement**

The Panel received an update from Jane Lockwood, Head of Procurement and Commissioning Support, on the progress being made in relation to the procurement strand of the Council's Transformation Programme.

It was noted that there had been 3 core phases to work with Deloitte, the Council's Transformation Partner on the project; namely, data visibility, identification of opportunities to made rapid savings and work on the operating model.

The broader aims of the project were to challenge and redefine how goods and services were procured, to ensure that all third party spend was necessary, to support local economic growth through local spend and to stimulate local social value and contribute to good growth.

A savings target of £6.5m across 6 categories had been identified and the cumulative position at July 2018 indicated good progress, showing £5.6m savings/reduction in spend had been achieved.

Savings were mostly attributed to positive results in the Temporary Staff category. It was noted that contract/matrix spend had reduced in spend by £2.5m rather than £1.31m as stated in the report.

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Following staff engagement sessions, a new procurement operating model had been developed and agreed in principle. As part of this, 6 Strategic Category Manager Posts had been created, 5 of which had been recruited to.

With regards to delivering social value outcomes through procurement, work was underway with the Centre for Local and Economic Strategies (CLES) to establish a baseline of activity, undertake gap analysis, explore the wider local economic impact through the supply chain and identify local anchor institutions. The findings and recommendations from this work were anticipated September/October 2018

David Bundy, Corporate Policy Officer, added that this work was across the sector, rather than solely the Council, with an anchor approach and a Kirklees way of working. With regards to the West Yorkshire and York Shared Social Value Principles outlined within the report, it was noted that these were broad principles developed to facilitate market understanding and policy would be set at a local level, with the aim of making it easier to do business with the Council.

Key points from the Panel discussion and responses to Member questions are summarised below:-

- Frustration was expressed at the lack of detail within the report, particularly in respect of monitoring savings, target setting, measuring performance and risk management.

Members were assured that whilst current targets had been reached, further ambitious and progressive targets continued to be developed.

Officers acknowledged that the report provided was at a high strategic level and it was agreed that a further report would be brought back to the Panel to include the benefits arising from the programme, risks, ambitions and core objectives as well as an update on the social value work that was ongoing.

- Whilst elected Members had not been invited to attend the procurement operating model engagement sessions, officers were keen to improve collaboration and Member input was welcomed.
- Savings achieved through this and the broader transformation programme, would be considered within the budget strategy review.
- The new Strategic Category Managers would work closely with commissioners, service heads and operational contacts.
- The importance of engaging with small organisations, social enterprises, the voluntary and community sector, as well as the larger anchor organisations, was acknowledged. It was anticipated that the Strategic Category Managers would utilise specialist knowledge and market understanding to engage pre-procurement and generate market interest.
- All procurement considered cost and quality, and value for money was the overriding factor. Category Managers would monitor the implementation stage

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and any potential supplier performance issues closely and focus more strongly on risk.

### **RESOLVED – That:**

(1) Jane Lockwood, Head of Procurement and David Bundy, Corporate Policy Officer be thanked for attending the meeting;

(2) the work programme in relation to the procurement item be updated to incorporate the areas for focus, as outlined below:

- (a) Benefits coming out of the programme
- (b) Core Objectives
- (c) Examples of practice
- (d) Social Value

## **5 Financial Scrutiny**

Eamonn Croston, Acting Service Director for Finance, IT and Transactional Services, presented a report which provided a high level overview of the Council's financial monitoring, incorporating the current position in 2018-19, and update on preparation for the forthcoming budget strategy update report to Cabinet/Council early/mid-October.

The Council's financial outturn position for 2017-18 reported an overall general fund revenue underspend of £1.6m against a budget of £295 m. Full Council approved a rollover of £1.6 m on 11 July 2018 and this was set aside for public realm activity.

It was highlighted that the most significant underlying pressure was against Special Educational Needs and Disabilities activity within Learning and Skills, at £6.4m. This compared to an underlying pressure of £4.2m reported as part of the 2017-18 financial outturn report.

It was felt that the Capital forecast was slightly optimistic this stage of the year, with more slippage expected. It was intended to stabilise financial reserves in order to provide more reliance moving forward.

Key points from the Panel discussion and responses to Member questions are summarised below:-

- Capital spend assumptions were governed through a number of internal processes such as the Corporate Capital Strategy Group. Work on the Budget Strategy Update Report was currently in progress and this would identify what was coming forward in terms of capital needs.
- The planned £16m in-year savings did not include the £6m underspend.
- With regards to the Council's risk/aspiration appetite it was important to work within realistic parameters to deliver a balanced budget and be clear on assumptions.
- The grants to Parish Councils would be considered as part of the budget considerations.

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- It was suggested that the Corporate Scrutiny Panel liaise with the Corporate Governance & Audit Committee regarding an update on the developments to the Corporate Risk Register, especially in relation to potential impacts of Brexit.

### **RESOLVED – That:**

- (1) That Eamonn Croston, Acting Service Director for Finance, IT and Transactional Services be thanked for attending the meeting;
- (2) That the Corporate Scrutiny Panel liaise with the Corporate Governance & Audit Committee regarding an update on the developments to the Corporate Risk Register, especially in relation to potential impacts of Brexit;
- (3) That the Corporate Scrutiny Panel highlighted the requirement to consider the grants to Parish Councils as part of the budget considerations;
- (4) That the Corporate Scrutiny Panel advised that the forecast process be reviewed in an attempt to set budgets accordingly and avoid high level overspends in areas where need has already become apparent.

## **6 Cabinet Member Priorities for 2018/19**

Councillor Graham Turner, Corporate Cabinet Portfolio Holder presented a report which outlined Corporate priorities for 2018/19, key highlights of which are noted below:-

- The importance of the cultural offer in driving economic improvement was highlighted.
- A report in relation to the Library Service had been approved by Cabinet on 21 August 2018. A work plan and timeline had been developed and regular meetings were scheduled with the relevant parties.
- An additional £300k funded through the Business Rates Pool was being utilised to develop the district's music offer.
- Corporate Front Door – further work was ongoing to deliver improved customer service.

In response to Member questions, it was noted that:-

- The development of a museum strategy was aligned into longer term strategic work around town centre regeneration.
- Work was currently ongoing with Deloitte as to IT transformation and 'digital by design'. Member engagement, as part of this project was welcomed.
- Given Kirklees' success and experience in providing filming locations, potential income generation opportunities would be considered as part of the Commercialisation Strategy.
- Exciting plans for were in place for developing the district's reputation as a place of world class music and the current diversity of music provision across the district was recognised.
- The 'Corporate Front Door' initiative embraced technological developments, but it was acknowledged that it was important to ensure that people were not left behind and were supported as much as possible.

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**RESOLVED** – That the update be noted with thanks to Cllr Turner, Portfolio Lead for Corporate, for attending.

- 7 Work Programme for 2018/19**  
The Work Programme and agenda plan presented for the Corporate Scrutiny Panel for 2018/19 was agreed.
- 8 Future Meeting Dates**  
That the next formal meeting of the Panel be held on 11 October 2018 at 9.00am.