

# Public Document Pack

## Overview and Scrutiny Management Committee

Thursday, 14th November, 2013  
at 5.30 pm

Council Chamber - Civic Centre

This meeting is open to the public

### Members

Councillor Moulton (Chair)  
Councillor Vinson (Vice-Chair)  
Councillor Chaloner  
Councillor Fitzhenry  
Councillor Hammond  
Councillor Hannides  
Councillor Keogh  
Councillor Mintoff  
Councillor Morrell  
Councillor Stevens

### Appointed Members

Mr T Blackshaw, The Church of England (Dioceses  
of Winchester & Portsmouth)  
Mrs U Topp, (Roman Catholic Church)  
Vacancies

- Primary Parent Governors Representative;  
and
- Parent Governor Representative

### Contacts

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Assistant Chief Executive  
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## PUBLIC INFORMATION

### **Role of Overview and Scrutiny**

Overview and Scrutiny includes the following three functions:

- Holding the Executive to account by questioning and evaluating the Executive's actions, both before and after decisions taken.
- Developing and reviewing Council policies, including the Policy Framework and Budget Strategy.
- Making reports and recommendations on any aspect of Council business and other matters that affect the City and its citizens.

Overview and Scrutiny can ask the Executive to reconsider a decision, but they do not have the power to change the decision themselves.

### **Overview and Scrutiny Management Committee**

The Overview and Scrutiny Management Committee holds the Executive to account, exercises the call-in process, and sets and monitors standards for scrutiny. It formulates a programme of scrutiny inquiries and appoints Scrutiny Panels to undertake them. Members of the Executive cannot serve on this Committee.

### **Southampton City Council's Priorities:**

- **Economic:** Promoting Southampton and attracting investment; raising ambitions and improving outcomes for children and young people.
- **Social:** Improving health and keeping people safe; helping individuals and communities to work together and help themselves.

- **Environmental:** Encouraging new house building and improving existing homes; making the city more attractive and sustainable.
- **One Council:** Developing an engaged, skilled and motivated workforce; implementing better ways of working to manage reduced budgets and increased demand.

### **Smoking Policy**

The Council operates a no-smoking policy in all civic buildings.

### **Mobile Telephones**

Please turn off your mobile telephone whilst in the meeting.

### **Fire Procedure**

In the event of a fire or other emergency a continuous alarm will sound and you will be advised by Council officers what action to take.

### **Access**

Access is available for disabled people. Please contact the Democratic Support Officer who will help to make any necessary arrangements.

### **Dates of Meetings: Municipal Year 2013/14**

2013	2014
20 May	16 January
13 June	13 February
11 July	13 March
15 August	10 April
12 September	
10 October	
14 November	
12 December	

## CONDUCT OF MEETING

### TERMS OF REFERENCE

The general role and terms of reference for the Overview and Scrutiny Management Committee, together with those for all Scrutiny Panels, are set out in Part 2 (Article 6) of the Council's Constitution, and their particular roles are set out in Part 4 (Overview and Scrutiny Procedure Rules – paragraph 5) of the Constitution.

### RULES OF PROCEDURE

The meeting is governed by the Council Procedure Rules and the Overview and Scrutiny Procedure Rules as set out in Part 4 of the Constitution.

### DISCLOSURE OF INTEREST

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "Disclosable Personal Interest" or "Other Interest" they may have in relation to matters for consideration on this Agenda.

### DISCLOSABLE PERSONAL INTERESTS

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

(i) Any employment, office, trade, profession or vocation carried on for profit or gain.

(ii) Sponsorship:

Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

(iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.

(iv) Any beneficial interest in land which is within the area of Southampton.

(v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.

(vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.

(vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:

- a) the total nominal value for the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or
- b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

### BUSINESS TO BE DISCUSSED

Only those items listed on the attached agenda may be considered at this meeting.

### QUORUM

The minimum number of appointed Members required to be in attendance to hold the meeting is 4.

## **Other Interests**

A Member must regard himself or herself as having a, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

Any body to which they have been appointed or nominated by Southampton City Council

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

Any body whose principal purpose includes the influence of public opinion or policy

## **Principles of Decision Making**

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

## AGENDA

**Agendas and papers are now available online via the Council's Website**

### **1 APOLOGIES AND CHANGES IN PANEL MEMBERSHIP (IF ANY)**

To note any changes in membership of the Panel made in accordance with Council Procedure Rule 4.3.

### **2 DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS**

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer.

### **3 DECLARATIONS OF SCRUTINY INTEREST**

Members are invited to declare any prior participation in any decision taken by a Committee, Sub-Committee, or Panel of the Council on the agenda and being scrutinised at this meeting.

### **4 DECLARATION OF PARTY POLITICAL WHIP**

Members are invited to declare the application of any party political whip on any matter on the agenda and being scrutinised at this meeting.

### **5 STATEMENT FROM THE CHAIR**

### **6 MINUTES OF THE PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

To approve and sign as a correct record the Minutes of the meetings held on 10<sup>th</sup> October and 16<sup>th</sup> October 2013 and to deal with any matters arising, attached.

### **7 FORWARD PLAN**

Report of the Assistant Chief Executive, detailing items requested for discussion from the current Forward Plan, attached.

- a) Forward Plan Briefing Paper - General Fund Revenue Budget 2014/15 to 2016/17

Briefing paper detailing the issues relating to the forthcoming Cabinet Decision "General Fund Revenue Budget 2014/15 to 2016/17", attached.

**8 LGA PEER CHALLENGE**

Report of the Assistant Chief Executive outlining the recommendations from the LGA Peer Challenge conducted at the end of July 2013 and the council's action plan in response, attached..

**9 MONITORING SCRUTINY RECOMMENDATIONS TO THE EXECUTIVE**

Report of the Assistant Chief Executive, detailing the actions of the executive and monitoring progress of the recommendations of the Committee, attached.

WEDNESDAY, 6 NOVEMBER 2013

HEAD OF LEGAL, HR AND DEMOCRATIC  
SERVICES

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SOUTHAMPTON CITY COUNCIL  
OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE  
MINUTES OF THE MEETING HELD ON 10 OCTOBER 2013

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Present: Councillors Moulton (Chair), Vinson (Vice-Chair), Chaloner, Fitzhenry, Hammond, Hannides, Keogh, Mintoff, Morrell and Stevens

Apologies: Mr T Blackshaw and Mrs U Topp

24. **MINUTES OF THE PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

**RESOLVED** that the minutes for the Committee meeting on 12<sup>th</sup> September 2013 be approved and signed as a correct record. (Copy of the minutes circulated with the agenda and appended to the signed minutes).

25. **PORT OF SOUTHAMPTON**

The Committee considered the report of the Director of Environment and Economy, outlining planning policies and powers in relation to the Port of Southampton. (Copy of the report circulated with the agenda and appended to the signed minutes).

Mr Thomas, Deputy Port Director and Mr McQueen, a member of the public were present and with the consent of the chair addressed the meeting.

**RESOLVED**

- (i) that a "Docks Information" category be added to the Council's Stay Connected email alert service, with the first communication outlining how you can complain about noise;
- (ii) that the Overview and Scrutiny Management Committee be updated on significant progress related to City Deal/Marchwood Military Port; and
- (iii) as the Port develops, should the opportunity present itself, the Council should work proactively with ABP to develop some form of boundary treatment, screening the Port from residential areas;

26. **FORWARD PLAN**

The Committee considered the report of the Assistant Chief Executive, detailing items requested for discussion from the current Forward Plan. (Copy of the report circulated with the agenda and appended to the signed minutes).

**RESOLVED:**

- (i) on consideration of the briefing paper relating to the forthcoming Cabinet Decision "Establishment of Integrated Commissioning Unit for SCC People Directorate and Southampton City Clinical Commissioning Group", the Committee recommended that:-

- a) in order to aid communication and joint working, investigate opportunities to co-locate teams as soon as possible; and
  - b) that the Health Overview and Scrutiny Panel monitors progress of the ICU and how the Council and CCG are maximising opportunities to pool budgets.
- (ii) on consideration of the briefing paper relating to the forthcoming Cabinet Decision “Feasibility Work for Thornhill District Energy Scheme”, the Committee recommended that:-
- a) details on the amount of energy a facility in Thornhill would be capable of producing be circulated to the Overview and Scrutiny Management Committee; and
  - b) that an update on the Marchwood energy pipeline proposal be circulated to the Overview and Scrutiny Management Committee.
- (iii) On consideration of the briefing paper relating to the forthcoming Officer Decision “Charging for Residents First Parking Permits”, the Committee recommended :-
- a) that a breakdown of consultation responses by parking zone be circulated to the Overview and Scrutiny Management Committee;
  - b) that officers identify if the feedback from residents indicated whether residents would still favour parking zones if charges were imposed;
  - c) that an assessment of the proposed residents parking schemes, consultation costs and timescales be circulated to the Overview and Scrutiny Management Committee;
  - d) that when consulting residents on parking permits they are made aware of proposed developments in the vicinity;
  - e) that a breakdown of administration and enforcement costs for Residents’ Parking Zones, together with the income from permits (distinguishing between first and second permits) and penalties, both current and as estimated under the proposed new policies, is circulated to the Overview and Scrutiny Management Committee alongside the areas on which parking income can be spent; and
  - f) that the Cabinet Member discusses with the Universities and University Hospitals Southampton, the possibility of them contributing financially to the costs of the relevant resident parking schemes in the city, and that the Overview and Scrutiny Management Committee be advised, if, and what contributions are currently received.
- (iv) on consideration of the briefing paper relating to the forthcoming Officer Decision “Evening Parking Charges”, the Committee recommended that the cost associated with excluding Sunday evening parking charges proposal be circulated to the Overview and Scrutiny Management Committee.
- (v) on consideration of the briefing paper relating to the forthcoming Cabinet Decision “Development of Sites in Lordshill”, the Committee recommended that the Executive reconsiders the



proposal to loan £73k to the community group and instead makes a £73k contribution to the community group.

27. **SCRUTINY PANEL B : APPRENTICESHIP INQUIRY: DRAFT FINAL REPORT**

The Committee considered the report of the Chair of Scrutiny Panel B providing details on the outcome of the Apprenticeship Inquiry and recommendations. (Copy of report circulated with the agenda and appended to the signed minutes).

**RESOLVED:**

- (i) that the report be approved and be forwarded to the Executive for consideration and further action; and
- (ii) that authority be delegated to the Chair of the Committee to approve any minor amendments arising from considerations raised at the Committee's meeting on 10<sup>th</sup> October 2013.

28. **MONITORING SCRUTINY RECOMMENDATIONS TO THE EXECUTIVE**

The Committee noted the report of the Assistant Chief Executive, detailing the actions of the executive and monitoring progress of the recommendations of the Committee. (Copy of the report circulated with the agenda and appended to the signed minutes).

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SOUTHAMPTON CITY COUNCIL  
OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE  
MINUTES OF THE MEETING HELD ON 16 OCTOBER 2013

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Present: Councillors Moulton (Chair), Vinson (Vice-Chair), Chaloner, Fitzhenry, Hammond, Keogh, Mintoff, Stevens and Parnell

Apologies: Councillors Hannides, Morrell and Mrs U Topp

29. **APOLOGIES AND CHANGES IN PANEL MEMBERSHIP (IF ANY)**

The Panel noted the apologies of Councillors Morrell and Hannides, Mr Blackshaw and Mrs Topp and that Councillor Parnell was in attendance as a nominated substitute for Councillor Hannides in accordance with Procedure Rule 4.3.

30. **EXCLUSION OF THE PRESS AND PUBLIC - CONFIDENTIAL PAPERS INCLUDED IN THE FOLLOWING ITEM**

In accordance with the Council's Constitution, specifically the Access to Information Procedure Rules contained within the Constitution, the press and public be excluded from the meeting in respect of any consideration of the confidential appendices 1 and 2 to the following item.

Confidential appendices 1 and 2 contain information deemed to be exempt from general publication based on category 3 (financial affairs) and 7A (obligation of confidentiality) of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not in the public interest to disclose this information as the appendices contain confidential and commercially sensitive information supplied by Capita Business Services Limited. It would prejudice the Council's ability to operate in a commercial environment and obtain best value in negotiations and would prejudice the Council's commercial relationships with third parties, if the obligation of confidentiality was not honoured.

31. **STRATEGIC SERVICES PARTNERSHIP (SSP) CONTRACT: EXTENSION AND RE-NEGOTIATION**

The Committee considered the report of the Leader of the Council providing details of the extension and re-negotiation of the Strategic Services Partnership. (Copy of the report circulated with the agenda and appended to the signed minutes).

**RESOLVED**

- (i) that the Executive encourage Capita to consider how they can develop their Corporate Social Responsibility offer in Southampton;
- (ii) that the Executive explore opportunities for additional services to be added to the Capita contract as soon as possible, where advantageous for the Council to do so;

- (iii) that the Leader be requested, during further negotiations, to encourage Capita to sign up to the Council's Living Wage pledge;
- (iv) that membership of the Strategic Partnership Board includes a member of the opposition;
- (v) that a list of the current Capita contract KPI's (Key Performance Indicators) be circulated to the Overview and Scrutiny Management Committee; and
- (vi) that, in recognition of the reputational risk to the Council and the channel shift proposals, the developing Key Service and Key Performance Indicators place an emphasis on customer service.

# Agenda Item 7

<b>DECISION-MAKER:</b>	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
<b>SUBJECT:</b>	FORWARD PLAN		
<b>DATE OF DECISION:</b>	14 <sup>th</sup> NOVEMBER 2013		
<b>REPORT OF:</b>	ASSISTANT CHIEF EXECUTIVE		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>Mark Pirnie</b>	<b>Tel:</b> 023 8083 3886
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<b>Director</b>	<b>Name:</b>	<b>Dawn Baxendale</b>	<b>Tel:</b> 023 8091 7713
	<b>E-mail:</b>	Dawn.baxendale@southampton.gov.uk	
<b>STATEMENT OF CONFIDENTIALITY</b>			
None			

## BRIEF SUMMARY

This item enables the Overview and Scrutiny Management Committee to examine the content of the Forward Plan and to discuss issues of interest or concern with the Executive to ensure that forthcoming decisions made by the Executive benefit local residents.

## RECOMMENDATION:

- (i) That the Committee discuss the Forward Plan items listed in paragraph 3 of the report to highlight any matters which Members feel should be taken into account by the Executive when reaching a decision.

## REASON FOR REPORT RECOMMENDATIONS

1. To enable Members to identify any matters which they feel the Cabinet should take into account when reaching a decision.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. None.

## DETAIL (Including consultation carried out)

3. The Forward Plan for the period November 2013 – February 2014 has been circulated to members of the Overview and Scrutiny Management Committee. The following issue was identified for discussion with the Decision Maker:

Portfolio	Decision	Requested By
Resources	General Fund Revenue Budget 2014/15 to 2016/17	Cllr Moulton

4. A briefing paper responding to the Forward Plan item identified by members of the Committee is appended to this report. Members are invited to use the paper to explore the issues with the decision maker.

## RESOURCE IMPLICATIONS

### Capital/Revenue

5. The details for the items on the Forward Plan will be set out in the Executive decision making report issued prior to the decision being taken.

### Property/Other

6. The details for the items on the Forward Plan will be set out in the Executive decision making report issued prior to the decision being taken.

## LEGAL IMPLICATIONS

### Statutory power to undertake proposals in the report:

7. The details for the items on the Forward Plan will be set out in the Executive decision making report issued prior to the decision being taken.
8. The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.

### Other Legal Implications:

9. None

## POLICY FRAMEWORK IMPLICATIONS

10. The details for the items on the Forward Plan will be set out in the Executive decision making report issued prior to the decision being taken.

**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	None directly as a result of this report
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## SUPPORTING DOCUMENTATION

### Appendices

1.	General Fund Revenue Budget 2014/15 to 2016/17
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### Documents In Members' Rooms

1.	None
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### Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Dependent upon forward plan item
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### Other Background Documents

#### Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1. None	

**BRIEFING PAPER**

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**SUBJECT:** GENERAL FUND REVENUE BUDGET 2014/15 TO 2016/17  
**DATE:** 14 NOVEMBER 2013  
**RECIPIENT:** OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

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**THIS IS NOT A DECISION PAPER****SUMMARY:**

This report, which is to be published on 11 November, will be presented to Cabinet on 19 November 2013 for decision.

The purpose of this report is to outline the development of the General Fund revenue budget for 2014/15 to 2016/17 in response to the financial challenges facing Local Government whilst recognising the priorities of the Executive. The report summarises the current budget position and outlines the initial draft budget and council tax proposals of the Executive for 2014/15 which will be used as the basis for extensive consultation with a range of stakeholders over the coming months.

Consultation will be undertaken on these proposals with a range of stakeholders and the results will be reported alongside the Executive's final proposals which will be presented to Cabinet in early February and recommended to Council on 12 February 2014.

The report deals with general fund revenue services only and there is a separate timetable and consultation process for the Housing Revenue Account which deals with services to council tenants. Proposals for capital expenditure will be presented early in the new year.

**BACKGROUND and BRIEFING DETAILS:**

1. The recommendations have been put forward to summarise the current budget position and outline the initial draft budget and council tax proposals of the Executive for 2014/15 which will be used as the basis for extensive consultation with a range of stakeholders over the coming months.
2. The production of a financial forecast and an outline timetable are a requirement of the Council's Budget and Policy Framework Procedure Rules.

**Consultation & Communications**

3. Informal consultation on the proposals will commence on 11 November 2013.
4. Formal consultation on the proposals will commence with trades unions, affected staff and any people or organisations affected by the proposals to ensure all options have been considered after the Cabinet Meeting on 19 November 2013.
5. Cabinet Members are keen to listen to new ideas and to receive feedback on the proposals to help to finalise the Executive's budget to be recommended to Full Council in February 2014.

**Resource and Policy Implications**

6. The budget is in itself a major policy exercise dealing with resource allocation within the Council and is supported by the Council's Management Team (CMT), together with specific legal and financial advice.

# BRIEFING PAPER

## Options

7. There are almost limitless options that can be applied to budget changes in the year most of which are driven by political priorities. In formulating the draft options to present in this paper the Executive have taken into account the relevant impact of all options that were under consideration and as a result some have not been progressed.
8. Alternative options may be presented to Council at the meeting in February at which a decision will be taken after the end of the consultation process

## Appendices/Supporting Information:

9. Report and appendices to be published on 11 November 2013

**Further Information Available From:**   **Name:** Alison Chard  
  **Tel:**       023 8083 4897  
  **E-mail:** [Alison.Chard@southampton.gov.uk](mailto:Alison.Chard@southampton.gov.uk)



# Agenda Item 8

<b>DECISION-MAKER:</b>	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
<b>SUBJECT:</b>	LGA PEER CHALLENGE		
<b>DATE OF DECISION:</b>	14 <sup>TH</sup> NOVEMBER 2013		
<b>REPORT OF:</b>	ASSISTANT CHIEF EXECUTIVE		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>Suki Sitaram</b>	<b>Tel:</b> 023 8083 2060
	<b>E-mail:</b>	<a href="mailto:Suki.sitaram@southampton.gov.uk">Suki.sitaram@southampton.gov.uk</a>	
<b>STATEMENT OF CONFIDENTIALITY</b>			
None			

## **BRIEF SUMMARY**

This report outlines the recommendations from the LGA Peer Challenge conducted at the end of July 2013 and the council's action plan which is in response to the recommendations.

## **RECOMMENDATION:**

- (i) That the Committee considers the report.

## **REASON FOR REPORT RECOMMENDATIONS**

1. In response to a request for this item to be discussed at the OSMC meeting in November 2013.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2. None.

## **DETAIL (Including consultation carried out)**

3. The Leader and Chief Executive have aspirations for the council to become an outstanding council. Therefore, to benefit from an independent assessment of the progress we are making and an opportunity to learn from best practice, the Leader and Chief Executive invited the Local Government Association (LGA) to undertake a Corporate Peer Challenge of the council from 22<sup>nd</sup>- 25<sup>th</sup> July 2013.
4. The Peer Challenge is part of the benefits we receive from our membership of the LGA and involved an experienced team, including the Leader of Bury Council, a chief executive, directors and a senior officer from the Audit Commission, visiting the council and speaking with various groups of staff, councillors and partners.
5. The Peer Challenge recommendations are attached as Appendix 1 and the Council's Action Plan is detailed in Appendix 2. To ensure that the recommendations of the Peer Challenge are implemented the council is taking advantage of the offer of support from the LGA. Discussions have taken place in the areas of medium term planning, HR, performance management, communications and decision making processes.

6. Cabinet and the Council's Management Team will be monitoring progress on the Action Plan.
7. The Leader and Chief Executive have embarked on a regular programme of visits to staff teams. The LGA have also facilitated joint sessions for Cabinet and CMT to develop medium term priorities from the Council Plan that will drive budget proposals and resource allocation. As a result of these sessions, a predominantly online consultation exercise was completed to seek feedback on medium term priorities. This received over 2,600 responses and the results were analysed to provide feedback to the Cabinet.

**RESOURCE IMPLICATIONS**

**Capital/Revenue**

8. None.

**Property/Other**

9. None.

**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

10. The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.

**Other Legal Implications:**

11. None

**POLICY FRAMEWORK IMPLICATIONS**

12. Council Plan 2013-16.

**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	None directly as a result of this report
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**SUPPORTING DOCUMENTATION**

**Appendices**

1.	LGA Peer Challenge letter
2.	Council's Action Plan

**Documents In Members' Rooms**

1.	None
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**Equality Impact Assessment**

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
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**Other Background Documents****Equality Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None	
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Dawn Baxendale  
Chief Executive  
Southampton City Council  
Civic Centre  
Southampton  
SO14 7LY

August 2013

Dear Dawn

**Southampton City Council Corporate Peer Challenge  
22<sup>nd</sup> – 25<sup>th</sup> July 2013**

On behalf of the peer team I would like to say what a pleasure and privilege it was to be invited into Southampton City Council to deliver the recent corporate peer challenge as part of the LGA offer to support sector led improvement.

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Southampton were:

- Joanne Roney OBE – Chief Executive, Wakefield Metropolitan District Council
- Cllr Mike Connolly (Labour) – Leader of Bury Metropolitan Borough Council
- John Harrison – Executive Director, Strategic Resources at Peterborough City Council
- Rob Walsh – Strategic Director, Governance and Transformation at North East Lincolnshire Council
- Ian Hickman – Audit Commission
- Paul Clarke – Programme Manager, Local Government Association

**Scope and focus of the peer challenge**

You asked us to provide an external 'health-check' of the organisation in the context of your plans for further improvement and development. We have done this by considering the following core components looked at by all corporate peer challenges:

1. Understanding of the local context and priority setting: Does the council understand its local context and has it established a clear set of priorities?
2. Financial planning and viability: Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
3. Political and managerial leadership: Does the council have effective political and managerial leadership and is it a constructive partnership?
4. Governance and decision-making: Are effective governance and decision-making arrangements in place to respond to key challenges and manage change, transformation and disinvestment?
5. Organisational capacity: Are organisational capacity and resources focused in the right areas in order to deliver the agreed priorities?

### **The peer challenge process**

It is important to stress that this was not an inspection. Peer challenges are improvement-focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement focus. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 4 days onsite at Southampton, during which they:

- Spoke to more than 70 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 30 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent more than 250 hours to determine their findings – the equivalent of one person spending more than 7 weeks in Southampton.

This letter provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (22<sup>nd</sup> -25<sup>th</sup> July 2013). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

## **Summary of feedback: overall observations and messages**

There is a consensus across the organisation about what is preventing Southampton City Council from maximising its' potential to be an effective, modern and productive local authority. There is a good awareness of the key challenges facing the Council, including size of the budget savings required over the next couple of years. The Council recognises organisational performance and morale is not in a good place and knows it needs to up its game. This awareness, together with the appetite from elected members and staff to make things better, will be vital as the council seeks to make the substantial and significant improvement required during a period of continued financial challenge.

We think the council has the potential to radically turnaround performance. This will, though, require a pace of change far quicker than the current transformation programme is delivering, and an approach to performance management that is more enabling and supporting. At present there is limited clarity about how to change things. There also seems to be a lack of urgency to do so. In essence you quickly need to evolve the organisation's mindset from 'want to change' to 'how to change'.

In terms of future direction and aspirations, you have a new Council Plan and have an exciting physical regeneration agenda that builds on a successful programme to date. But we suggest there needs to be a clearer articulation of the priority outcomes the authority is striving to achieve for both city and council. Once agreed the organisation needs to become fit to achieve them through a refocused and co-ordinated council wide transformation programme. This needs to be clear on the size, ways of working and the mindset of the organisation required to deliver them.

During this period of transition and transformation you will need to be confident and assured your frontline services and practices are maintained. A strengthened performance management system and culture will help assess service delivery, ensure clarity about service standards, and measure outcomes and impact. More empowerment and confidence throughout the organisation will enable quicker and more effective decision-making.

Southampton City Council clearly faces some tough challenges. The authority was described by many we saw as an organisation in a 'perpetual crisis'. There is no doubt the local context and recent events exaggerate some of these perceptions. But the reality is that the context and challenges are not unique to Southampton. Many authorities successfully function and achieve radical and effective transformation when facing similar challenges. Now is the time to focus on the future, not the past.

Our time at the Council left us with a firm impression that a lot of what is accepted as normal practice at Southampton is currently out of kilter with the rest of the sector. There looks to be too much focus on process compliance and risk aversion that now needs to shift to enabling and action. Process is of course important in providing

safeguards and transparency. But at Southampton it seems to be driving the way the organisation does business, rather than supporting and enabling it. A culture of process compliance is seen by many to be stifling the productivity of the organisation and creating a default position of demonstrating why something cannot be done.

However, all of this is fixable. It will, though, require strong, decisive leadership, political consensus on key improvement priorities, a clearer articulation of the desired strategic direction of travel, and an accelerated pace of change. In doing this, there will need to be an acceptance that given the speed and scale of change required not everything will go smoothly. You will need to stick to decisions, hold your nerve and ensure momentum is sustained.

We think there are a set of current circumstances which provide a basis for this. We see an organisation aware of the issues it faces, and one that has a new Leader and Chief Executive who have made an impact already. There is an appetite from partners and public to be involved. You have shown a willingness to invite external challenge and support through this peer challenge process. All of these combine to provide the conditions to move forward. We strongly encourage you to seize on this moment in time to transform the Council into the well performing, high achieving and modern local authority you and a range of stakeholders want and need it to be.

### **Summary of feedback: current performance, ability and capacity to deliver future ambitions**

#### *Understanding of local context and priority setting*

You have recently developed and agreed a new Council Plan 2013-2016. This succinctly and clearly sets out the priorities, challenges and opportunities, and includes key actions and measures of success. The Plan is a good start in setting out the future direction of travel for the city and council. The priorities appear relevant given the local context and the challenges facing the local area and wider sector. You will no doubt wish to demonstrate how they relate to consultation and engagement with residents. But in terms of format and style we think the Plan is excellent.

We suggest the content can be developed further, particularly in terms of providing a clearer articulation of the priority outcomes and ensuring that the measures of success are focused on the most critical aspects of those. Currently some of the measures don't appear ambitious and aspirational and relate more to service delivery outputs rather than impact on quality of life. For example, many appear to be about simply maintaining performance or incrementally improving current levels of service, such as levels of homelessness and waste recycling. Others appear to be simply an activity or action. In developing the Plan further we suggest a clearer thread of outcome-action-impact. As one person put it 'measure what matters'.



We appreciate the Plan is new. That provides a timely opportunity to engage staff, partners and public about what the Council is aspiring to deliver in the medium term. If necessary you should be prepared to refresh it, ensuring it sets out clear, and maybe less, priority outcomes that all stakeholders understand. The Plan should become your key strategic document, driving the allocation of resources and capacity to ensure delivery of the priority outcomes. Notwithstanding the freshness of the Plan, we saw little connectivity between the priorities, medium term financial strategy and transformation programme. There is an opportunity to improve the alignment of priorities and resources to support the delivery of your agreed key outcomes and monitor them.

We suggest there is also a need to ensure your transformation programme is focused more on developing the organisation's expertise, skills and culture to deliver the (revised) Council Plan. We are not necessarily saying the current strands of the programme are wrong, and we understand and appreciate the initial focus on achieving significant change to form the People's Directorate. But it is difficult to see explicitly how some of the current programme, e.g. community asset transfer, will contribute significantly to delivery of the Council Plan. The need to reduce operating and business support costs is a common thread across many council transformation programmes, i.e. - maximising internal cost reduction and efficiency in order to minimise impact on front line services. This didn't come across clearly to us at Southampton. As you develop the Transformation Programme to support the delivery of the Council Plan, there will be a need for it to become more council-wide, be more effectively programme managed, and include culture change activity – i.e. more of a focus on the way you do things as well as what you deliver.

Beyond the priority outcomes you are striving for, there are of course a range of services and activity that remain non-negotiable in terms of statutory responsibilities for instance. There will undoubtedly be a very intensive improvement agenda, and some immediate challenges to overcome and major changes to manage. During this period the council must also stay focused on delivering services to local people. This will need a continued stringent focus on the basics. Being clear on service standards and being able to manage performance against those will obviously help.

#### Financial planning and viability

The Council currently appears to be in a relatively sound financial situation. Strong accountancy and tight control has helped put you there, albeit the strategy to date has included use of reserves and one off monies as means by which to achieve a balanced budget. We urge you not to underestimate the challenges you will face on the journey ahead. Public sector spending reductions beyond 2014/15 are likely to be much tougher than what has been experienced to date and we encourage you not to underestimate the severity of the challenges and the tough decisions and radical

options that will inevitably be required. Whilst we might say this to most other authorities, the scale of the financial savings required at Southampton – essentially £60 million over the next two years - are sizable compared to many other places. You have rightly identified the capacity to deliver savings as a key strategic risk for the Council. This risk should not be underplayed.

We suggest you need a more robust and sustainable medium term plan to identify and deliver all the savings required. We encourage you to consider introducing a 3-5-year budget and longer term planning horizon, including appropriate scenario planning and thorough testing of assumptions and forecasts. We think CMT and Cabinet should work collectively to prepare this, ensuring corporate and executive ownership. We understand and appreciate how the election cycle and political imperatives may make a shorter term planning horizon and annual budget setting more palatable. But the use of reserves and one off monies are of course only short term solutions and longer term planning is absolutely critical to the future financial viability and sustainability of the Council. In short, strategic decision-making driven by medium to long term priorities is needed. As one person described it, without this you will 'sleep walk into bankruptcy'.

You will need to make sure your planning is informed by accurate data and intelligence that you have confidence in. The organisation seems to be rife with myths and suspicion about what gets spent where. This seems to be due to a lack of high-quality data about expenditure which in turn diminishes the confidence to challenge assumptions and allocations. We heard anecdotal examples of missing or incomplete data and information affecting the ability to plan robustly, such as the number of people receiving a home care service not being known. Not only does this make financial planning difficult, it also means that value for money is hard to judge. The 'blue prints' recently produced for all services are a useful start in establishing some baseline information, and identifying the cost of services. But there is more to be done here we suggest.

Some of your savings are predicated on efficiencies and more productive ways of working to be achieved through the Transformation Programme. We think you quickly need further clarity of how much the programme is anticipated to contribute to the overall savings target, and when those savings will be delivered. Currently there is merely an acceptance that the Programme will make a contribution. This is risky. Whilst you may not be able to accurately predict the savings to be delivered, some estimates are required to enable effective financial planning and to determine if other options need to be pursued, or indeed whether the current options are the right ones. Whilst not all transformation projects may have an objective of saving money, for those that do a clear indication of savings and the timescale over which they will be achieved is required. More council wide communication of the budget challenge and options being considered is also required we suggest.

Economic activity in the city presents an opportunity for income and should be a more prominent feature of the medium term financial planning we think. This is about maximising the connectivity between the priority of attracting investment and the Council's budget strategy, for example economic growth enabling increased income from business rates and knowing when major income streams can come on line. But there are also more general observations such as long term physical regeneration being hard to achieve within a short term financial plan.

### *Political and Managerial Leadership*

The City and Council wants and needs strong and visible leadership. People are desperate for a clear medium to long term vision, and a coherent plan of how that will be achieved. You need to create a feeling in the organisation that, this time, changes will be for real and plans sustainable. Staff and partners need to know what the direction of travel is and be confident they can commit and invest their trust to this. The recent appointment of a new chief executive and new leader provides a chance for this to happen. This is critical opportunity for the organisation to achieve the change, improvement and transformation required.

The Cabinet and Corporate Management Team (CMT), as a new 'top team', will need to demonstrate a collective strategic view and grip of the challenges, and exhibit a focus on the future not the past. The new Director of People and Head of Strategic HR and the fresh perspectives and experience from elsewhere they bring will be critical to the next phase of the Council's transformation. We encourage you to continue the frequent dialogue established between Cabinet and CMT and ensure it is used to create ambition, drive culture change, and provide internal challenge to proposals. Ultimately you know what is wrong with the organisation and it is your job to sort it. Staff, partners, residents, and other external stakeholders need to see and hear this is happening.

In doing this you will need to be prepared to take tough decisions and stick to them. There have been recent high profile decisions reversing previous budget saving actions and proposals, for example staff terms and conditions, the refurbishment of Oaklands Swimming Pool and night time car parking charges. We appreciate these were driven by various factors including changing political priorities, opportunities afforded by an improved financial situation, and responding to adverse public feedback. But there is a risk the authority will be seen as not being able to stick to tough decisions made. Not all decisions moving forward will be palatable or in line with public opinion, particularly as the financial challenge becomes more acute. Clear communication about decisions and the reasons for them being taken will be critical.

We suggest you also need to consider how you further develop the communication and engagement with partners and public. Residents want to be involved and help find solutions. You are clearly committed to consultation and already have some

good mechanisms in place – such as the ‘Your City, Your Say’. You regularly consult on a vast array of proposals and plans. We suggest there is scope to consider how you can develop your current approaches so they become more about engagement. There is also scope we think to build cross-public sector relationships and engagement on an area or neighbourhood basis, something that many other authorities are doing.

You have clearly strengthened communication within the organisation, for example through the weekly ‘Friday Note’ email from the Chief Executive. We urge you to keep building on your improving internal communications and engagement. Communication will be as important as ever as you move forward. Some staff suggested the rumour mill remains very active. So there is, and will continue to be, more to do. In doing so, you need to reflect on how senior management can be more visible to all parts of the organisation.

### Governance and decision-making

The basic foundations and core elements for good governance look to be in place at Southampton. Whilst we did not examine your Constitution or Scheme of Delegation in detail, they seem in line with what is expected and required. The Constitution is reviewed annually, and the Governance Committee benefits from having independent members on it. You are clearly committed to ensuring there is robust governance and transparent decision-making at Southampton, and keen that the authority avoids unnecessary risks.

However, this seems to have created a way of doing business with a heavy emphasis on governance processes, and a culture of compliance, as opposed to a culture that enables and supports the decisions and action required to deliver the priority outcomes. As a consequence the pace of decision-making is perceived to be slow and bureaucratic. This was an almost universal view presented to us by officers and members we engaged with. Managers are frustrated at the levels of empowerment to take decisions. They want to be empowered and accountable, but decision-making was described as ‘hierarchical’ with high levels of upward delegation and repetition, demonstrated for example by frequent revisiting the detail of budget packages already approved and the internal processes for recruitment. This, coupled with a lack of systematic performance management across the organisation, is reducing individual accountability.

It may also be diminishing the productivity and stifling the creativity of the organisation. As the challenges facing the Council become more acute, and the need increases for more radical solutions to be found we suggest, there will be a need for more frank conversations and less process and analysis of why something cannot be done. We questioned whether you are too risk averse – ‘gold plated safe’ as one person described it - at a time when rapid change and major transformation is

needed. There may be a need to accept you will not get everything right first time, will make mistakes and that you can learn from them.

Professional advice (such as legal, finance, HR, procurement) will need to focus more on proactively enabling solutions to be developed, rather than the current emphasis on safeguarding the authority from risk. Professional advice does though also need to be respected and valued. There were many instances cited to us where elected members had made a decision contrary to officer advice and recommendations, for example, budget and planning decisions. Whilst this is not an issue in itself, it does suggest that the organisation's attitude to risk might be out of kilter with elected members aspirations and ambitions. Strategic risk management may be something worth considering further at a CMT and Cabinet meeting. Likewise a CMT discussion on levels of empowerment is required.

The practice at Southampton seems to have evolved and developed to produce a minuted record for every conversation and debate that occurs between officers and members. We question whether this is always necessary. We appreciate the need for audit trails and records, but empowerment, trust, and effective relationships are all equally important parts of good governance in a modern local authority. These elements seem to have been overlooked somewhat. The current emphasis looks to be on compliance with processes rather than accountability for decision-making and delivery. We think you should consider the current processes with a view to rationalising, streamlining and speeding up decision-making. This includes the number of officers present at member meetings which from our (albeit limited) observations appear to be heavy.

Overview and Scrutiny is working well. It appears to be undertaken in a collaborative manner and felt by members and officers to be making a useful contribution to decision-making, such as through its' work on Adult Social Care charges, welfare reform, and apprenticeships. We think the scrutiny work programme could strike a better balance in terms of its focus, so that there is even more emphasis on making a proactive and timely contribution to policy development as well as the important role of holding decision-makers to account. In both of these modes there is potential for scrutiny to be more externally focused we suggest, including having a useful role in engaging with citizens on key issues facing the city, particularly in the absence of any area or neighbourhood forums/committees.

The governance and project management of your Transformation Programme are not currently clear or robust. You know this and are putting arrangements in place. For example, you have established a Change Programme Board and are recruiting a Head of Transformation whose role will be to manage the Programme. The Programme is at a formative stage. In developing it into a fully matured programme you will need to ensure the arrangements you are putting into place enable the linkages, sequencing, and inter-dependencies between the various projects and

activity to be clear. Robust monitoring and accountability will need to be key feature of your programme governance. We have already mentioned the importance of knowing the contribution to the budget strategy.

### Organisational Capacity

You have allocated dedicated resources for the Transformation Programme, having set aside a budget of £2million and contributed another £1million for 2013/14. It will be important that as various projects and parts of the organisation draw down on this funding the return on investment is clear, and that it is funding transformational activity not business as usual. In terms of other resources, including people, you will need to consider how you use of what you have got and consider the competency and skills gaps. During a period of transformation you are likely to need different skills and expertise at different times.

We suggest you will need to give more consideration to securing temporary capacity, skills and knowledge through flexible and agile arrangements including for example internal and external secondments. Part of this we suggest may be better utilising your existing relationship with your existing contractors/partners to build capacity and support transformation. They undoubtedly have much to offer in terms of transformation expertise and it was not clear whether this had been explored as part of the recent contract re-negotiations, or whether the dialogue had focused purely on savings.

Given the recent performance issues and concerns, there has understandably been a big focus on the People's Directorate to transform. In moving forward, we encourage you not to forget about the rest of the organisation. As you move to develop the Transformation Programme to support delivery of the Council Plan, there is a risk that transformation in silos could damage credibility and overall progress, and have a detrimental effect on other parts of the organisation or transformation projects. There are already some small examples of this starting to happen such as recent changes to housing payments having a knock on effect with the customer contact centre.

A council wide programme led delivery with robust project management will result in faster progress. As mentioned already, the linkages, sequencing, and inter-dependencies between the various projects and activity are not currently understood consistently across the organisation. 'We don't know how everything knits together' was a view frequently expressed to us. We were unclear as to how some of the projects under the 'working environment' strand might help deliver other elements of the Programme, and how the organisational design elements of the People Services transformation linked to this.

There is a need we think to further develop the functions that maximise organisational capacity and productivity such as performance management, strategic human resources (HR) and ICT, both to support transformation and serve the needs of the council of the future. Performance management in particular is an area for immediate improvement we suggest. We know there are proposals in place, albeit these appear to be taking a significant amount of time to progress given your acceptance that something needs to be done. In implementing the new arrangements remember it is about culture and behaviours as well as systems and process. In short it is you knowing that what you are delivering is making a difference and having the intended impact and effect.

You have recognised the further development of strategic HR needs to be a priority and, again, there are proposals in place to address this. As you do this we think that sorting Equal Pay, building on the improved relationships with trade unions, will be a critical element. Workforce development to support the transformation of the council is another important area for further consideration and progress we suggest. As is the role of ICT where a clearer strategy is required, not only for how it supports and enables the organisation now, but how it supports further efficiencies, transformation and the future business needs.

You have recently agreed to develop a new strategy for councillor development which will comprise induction, personal development planning and a range of learning and development opportunities to support corporate objectives and initiatives, and specific member roles. You have significantly increased the budget, albeit from a low base, and will enable Group Leaders to have a budget as part of this. Building on this commitment and additional investment, we encourage you to ensure that the learning and development programme supports the evolving roles of councillors as the council changes such as community leader and strategic commissioner. We think this is a very important part of the Council's transformation.

The recent re-location and amalgamation of the communications function to create a new corporate team provides an opportunity for a significant impact and change. It is a chance for an early and 'quick win' as regards demonstrating the new 'One Council' ethos. Similarly the integration of public health into the Council also provides a great opportunity for learning. Public health staff will bring a great deal of expertise and knowledge, especially performance management, to the council and we encourage you to use these opportunities to spread and embed learning across the organisation.

We also encourage you to maximise the potential to leverage further capacity and expertise through existing partners, voluntary sector, neighbouring authorities, and the community. All appear poised and ready to make a contribution. You will need to articulate your vision for the future, including the priority outcomes you are seeking to achieve, and get into a dialogue with others about what you need from them. More

collaboration will almost certainly be a feature of your future approach to delivering the priority outcomes for the City we suggest.

The staff we engaged with during our visit were proud and loyal. They are passionate about working for the Council and keen to be part of its improvement journey. We encourage you to harness this through more and better engagement and empowerment, particularly at the frontline enabling them to be responsive to customer need. Ensure that you celebrate success through a council-wide approach. Again, this will help progress the 'One Council' priority.

### Creating a 'new normal' at Southampton City Council

We suggested there were several characteristics of the current organisation that need to evolve to help create a 'new normal' at Southampton, and help you make progress towards becoming a better, more productive, responsive and sustainable local authority:

#### The current Southampton Way

A focus on delivering council **services**, with the emphasis on outputs

A focus on the collating and analysing of **data and information**, including formal consultation to inform decisions

A **paternal** mind-set, with an emphasis on the council being a provider of services to people

Officers have **responsibility** for implementing decisions and delivering services

A focus on **compliance** with processes and prescribed standards and delivery of a rigid delivery plan

Ways of working focus on avoiding **risk** (risk aversion)

Public sector '**victim**' – using the challenges facing the sector and locality as a reason for not being able to do things

#### The new Southampton Way

A focus on the **outcomes** required, with the best means by which to achieve them then being decided

More use made of **intelligence** including dialogue and engagement to inform decision-making and policy development

A recognition that **co-production** with service users will enable better outcomes, and an active exploration of opportunities to do this

Officers are **accountable** for their decisions and judged on delivering outcomes

An emphasis on officers being **empowered** to enable outcomes within an agreed budget and overall plan

An appetite to embrace the **opportunity** to innovate within agreed risk parameters (opportunity risk)

Public sector '**leader of place**' – embracing the challenges facing the sector and locality as an opportunity to lead the council and city





## **Our recommendations: suggestions and ideas for your consideration**

The peer team developed some key recommendations for you to consider. These are based on what we saw, heard and read. Drawing on our experience of the sector and knowledge of local government improvement, the following are things we think will help enable the above transformation and make best use of your skills and experience, deliver some quick wins, and develop the strengths you will need to progress your improvement agenda:

1. Further develop your new Council Plan so it includes the agreed priority outcomes for City and Council. This should be the key document to drive and determine resource allocation and transformation. All processes should support the delivery of the Plan.
2. Consider refocusing your Transformation Programme so it becomes more council-wide, robustly programme managed and monitored, and enables the organisation to deliver the Council Plan and medium term financial plan. In developing the programme further consider:
  - Whether the programme and the projects and activity are ambitious enough and relative to the scale of change required
  - The linkages, sequencing, and inter-dependencies between the various projects and activity, ensuring they are clear
  - The capacity to deliver the programme and project activity
  - Ownership from the whole organisation, in terms of awareness and understanding, but also opportunity to contribute
3. Introduce a three year priority-led financial and service planning horizon, including appropriate scenario planning and thorough testing of assumptions and forecasts.
4. Establish a council wide performance management approach which includes a focus on measuring outcomes, enabling accountability and management competency.
5. Streamline your decision-making processes – including looking at the levels of delegation, empowerment and the servicing of member meetings.
6. Collective Cabinet and CMT agreement and development time to establish a shared commitment to the one council approach to delivering changes and culture to create the 'new normal'
7. Be bold, be brave, and be confident. Do something quickly to demonstrate and communicate what will be different here.

8. Get out more and learn from others. The sector is willing to help. Consider an external peer sounding board, or voluntary improvement board, as means by which to ensure continued external peer support and challenge.

We have attached a set of slides that summarise the above feedback. The slides are the ones used by the peer team to present its feedback at the end of the onsite visit.

### **Next steps**

You will undoubtedly wish to reflect on these findings and suggestions made with your senior managerial and political leadership before determining how the council wishes to take things forward. As part of the peer challenge process, there is an offer of continued activity to support this. In the meantime we are keen to continue the relationship we have formed with you and colleagues through the peer challenge to date. We will endeavour to signpost you to other sources of information and examples of practice and thinking.

I thought it helpful to provide contact details for Heather Wills who, as you know, is our Principal Adviser (South East). Heather can be contacted via email at [heather.wills@local.gov.uk](mailto:heather.wills@local.gov.uk) (or tel. 07770 701188). She is the main contact between your authority and the Local Government Association. Hopefully this provides you with a convenient route of access to the Local Government Association, its resources and any further support.

All of us connected with the peer challenge would like to wish you every success going forward. Once again, many thanks to you and your colleagues for inviting the peer challenge and to everyone involved for their participation.

Paul Clarke - Programme Manager (Peer Support)  
Local Government Association

On behalf of the peer challenge team

## Southampton City Council Action Plan in response to the LGA Peer Review Recommendations

Issue	Action	Lead	Timescale	LGA input
Responding to the Peer Review recommendations	Cabinet and CMT agree way forward on LGA offer and Action Plan Need to feedback on the expert clienting offer from the LGA	Cllr Letts and Dawn Baxendale	Agreed LGA input – work is underway	<i>Provide examples of best practice and what good looks like</i>
	Consider setting up of External Sounding Board	Cllr Letts and Dawn Baxendale	Decision by October 2013	
	Visibility – regular programme of visits to SCC staff teams and partners by Cabinet and CMT	Cabinet and CMT	Has started	
Strategic Planning and priority-led 3 year Medium Term Financial Strategy	Agree clear strategic, long term priorities from the Council Plan that will drive budget proposals and resource allocation.	Cllr Letts and Cabinet	Completed in September	<i>LGA Facilitators (political and officer) for Cabinet and CMT</i>
	Work with key partners to consider how we can improve outcomes for residents and reducing costs through consideration of opportunities, dependencies and demand management	CMT - Dawn Baxendale	Work is ongoing	
	Agree clear service standards, priorities and what services we will continue to provide so that we can focus on doing the right things for the right people at the right price. In all cases (current and new services) we need to <i>question whether we have to do it and if yes, what is the best way of providing the service (focus on reducing cost and improving outcomes?)</i>	Cabinet and CMT led by Cllr Letts and Cllr Barnes-Andrews	Priorities agreed Ongoing challenge to achieve	
	Test above with scenarios to explore how this will work in practice	Cabinet and CMT	Ongoing	
	Develop Medium Term Financial Strategy to deliver the Council Plan, which <ul style="list-style-type: none"> <li>• prioritises early help and prevention</li> <li>• maximises income generation</li> <li>• identifies invest to save opportunities</li> </ul>	Cabinet and CMT - led by Cllr Barnes-Andrews Andy Lowe	2014	
	Regular review of the Council Plan priorities to reflect resident feedback and link to budget process	Cabinet and CMT (led by	Started and ongoing	

Issue	Action	Lead	Timescale	LGA input
	Streamlined policy and performance framework	Cllr Barnes-Andrews, Andy Lowe and Suki Sitaram)	By September 2014	
	Consider how to enable more decisions being taken at a local level, how to support communities and how elected members as a local community leader can play a greater role in this.	Cllr Letts	TBC	
Gain political consensus on the long-term big issues	Strategic discussions with Group Leaders on long term issues and priorities	Cllr Letts	November 2014	<i>Facilitate discussions on a cross party basis to achieve consensus on long term priorities</i>
Transformation programme (including HR and IT)	Revise all current transformation programmes and agree a single, council-wide, joined-up transformation programme including cultural change, level of savings, invest to save opportunities, specific outcomes with timescales and link to internal communications and staff engagement plan.	Cllr Jeffrey Suki Sitaram, Mike Watts and Head of Transformation (starting in Nov)	January 2014 (Transformation and Improvement Board)	<i>Links to other council that are successful at transformation programmes LGA workforce team to give examples on staff engagement</i>
	Establish PMO with agreed project management framework, pool of project managers and ongoing training for relevant staff	Adrian Richardson	Agreed – work underway	<i>LGA to provide support for the training</i>
Intelligence and performance management	Establish a council-wide performance management approach, including measuring outcomes, enabling management competency	Suki Sitaram and Mike Watts	By April 2014	<i>LGA Inform and Research Manager to assist LGA to provide support for the training</i>
Decision making	Revise and simplify processes and increase delegations, in light of best practice	CMT - led by Mark Heath and Richard Ivory	October 2014 and ongoing	<i>Centre for Public Scrutiny to make contact with Mark Heath</i>
Communications	Develop and deliver an overall Communications Plan which will include: <ul style="list-style-type: none"> <li>raising awareness of the scale of the council's budget challenges, how we address them and the need to do things very differently</li> </ul>	Suki Sitaram, Mike Watts and Rosanna Coppen	Plan to be agreed in Oct/Nov	<i>LGA Communications Director to assist</i>
			Work on	<i>LGA workforce team to give examples on staff</i>

Issue	Action	Lead	Timescale	LGA input
	<ul style="list-style-type: none"> <li>present a better narrative to the public in which we celebrate our successes</li> <li>improve their understanding, over a period of the time, about the context and challenges in which the council is making tough decisions and reasons for them being taken</li> <li>internal communications and staff engagement, linked to the culture change strand of transformation</li> </ul>		budget is underway  Other work is ongoing	<i>engagement</i>
Member development : Strong visible leadership	Agree and implement Member Development Strategy (currently in draft) to reflect feedback from LGA Peer Review team	Cllr Letts Richard Ivory and Sandra Coltman	TBA	<i>LGA to provide feedback on the draft strategy</i>
	Consider adopting LGA Member Development Charter			
Officer development	Council's Management Team development - LGA support to facilitate	Mike Watts	Work has started - ongoing	<i>LGA workforce team to support meet with Mike Watts</i>
	Agree work programme Visits and contacts to learn from others		Work has started and ongoing	<i>Contacts and leads for good practice</i>
HR and OD	CMT to agree HR Transformation priorities, action plan and resources to build organisational resilience, including developing the right skills and competencies for the future	Mike Watts	October 2013 and ongoing	

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# Agenda Item 9

<b>DECISION-MAKER:</b>	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
<b>SUBJECT:</b>	MONITORING SCRUTINY RECOMMENDATIONS TO THE EXECUTIVE		
<b>DATE OF DECISION:</b>	14 <sup>TH</sup> NOVEMBER 2013		
<b>REPORT OF:</b>	ASSISTANT CHIEF EXECUTIVE		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>			
None			

## **BRIEF SUMMARY**

This item enables the Overview and Scrutiny Management Committee to monitor and track progress on recommendations made to the Executive at previous meetings.

## **RECOMMENDATION:**

- (i) That the Committee considers the responses from Cabinet Members to recommendations from previous meetings and provides feedback.

## **REASON FOR REPORT RECOMMENDATIONS**

1. To assist the Committee in assessing the impact and consequence of recommendations made at previous meetings.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2. None.

## **DETAIL (Including consultation carried out)**

3. Appendix 1 of the report sets out the recommendations made to Cabinet Members at previous meetings of the Overview and Scrutiny Management Committee. It also contains summaries of any action taken by Cabinet Members in response to the recommendations.
4. The progress status for each recommendation is indicated and if the Overview and Scrutiny Management Committee confirms acceptance of the items marked as completed they will be removed from the list. In cases where action on the recommendation is outstanding or the Committee does not accept the matter has been adequately completed, it will be kept on the list and reported back to the next meeting. It will remain on the list until such time as the Committee accepts the recommendation as completed. Rejected recommendations will only be removed from the list after being reported to the Overview and Scrutiny Management Committee.

## RESOURCE IMPLICATIONS

### Capital/Revenue

5. None.

### Property/Other

6. None.

## LEGAL IMPLICATIONS

### Statutory power to undertake proposals in the report:

7. The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.

### Other Legal Implications:

8. None

## POLICY FRAMEWORK IMPLICATIONS

9. None.

KEY DECISION? No

<b>WARDS/COMMUNITIES AFFECTED:</b>	None directly as a result of this report
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## SUPPORTING DOCUMENTATION

### Appendices

1.	Monitoring Scrutiny Recommendations – 14 <sup>th</sup> November 2013
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### Documents In Members' Rooms

1.	None
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### Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
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### Other Background Documents

#### Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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# Overview and Scrutiny Management Committee: Holding the Executive to Account

Scrutiny Monitoring – 14<sup>th</sup> November 2013

Date	Portfolio	Title	Action proposed	Action Taken	Progress Status
10/10/13	Leaders	Port of Southampton	1) That a 'Docks Information' category is added to the Council's Stay Connected email alert service with the first communication outlining how you can complain about noise	This has been discussed between Env. Health, the Communications team, and ABP and is being progressed. However, confirmation from ABP about the details is awaited.	
			2) That the OSMC is updated on significant progress related to City Deal / Marchwood Military Port	Marchwood Military Port is no longer part of the City Deal proposal.	
			3) As the Port develops, should the opportunity present itself, the Council should work proactively with ABP to develop some form of boundary treatment screening the Port from residential areas	When new development occurs at the Port, close to the boundary of the site, the Planning & Development team will see what practical solutions are available for a screening belt.	
10/10/13	Leaders	Development of sites in Lordshill	1) That the Executive reconsiders the proposal to loan £73k to the community group and instead makes a £73k contribution to the community group	A contribution to the group would need to be considered as a grant and subject to the Council's recently revised grant application procedures. The requirement is revenue related; an allowance for legal fees and financial advice, putting staff in place prior to the opening and marketing. Offering a loan encourages the group to explore and secure external funding sources and to ensure that expenditure is minimised. A loan is considered to be an appropriate means of progressing, and this approach has been shared with the community group.	
10/10/13	Health & Adult Social Care	Integrated Commissioning Unit (ICU)	1) To aid communication and joint working look at opportunities to co-locate teams as soon as possible	An approach has been agreed where staff will work across the 2 sites. This is already in place. The concept of moving staff into one site is not a quick fix at all. There are significant financial implications unless we can find space in either organisation which has not been possible as yet. There are also	

Date	Portfolio	Title	Action proposed	Action Taken	Progress Status
				advantages in having the commissioners mixing with SCC colleagues and CCG clinicians which may not be as effective if based at one or other site.	
			2) That the Health Overview and Scrutiny Panel (HOSP) monitors progress of the ICU and how the Council and CCG are maximising opportunities to pool budgets	HOSP have agreed to take regular reports	
10/10/13	Housing & Sustainability	Thornhill District Energy	1) Details on the amount of energy a facility in Thornhill would be capable of producing be circulated to OSMC	The facility would be capable of meeting the energy needs of at least 1,600 homes	
			2) That an update on the Marchwood energy pipeline proposal is circulated to the OSMC	A feasibility study has been undertaken by Cofely on the viability of a district energy scheme involving the Marchwood waste to energy plant and the Millbrook / Redbridge area. The results of this study will be available soon for members to consider	
10/10/13	Officer Decision	Charging for residents first parking permits	1) That a breakdown of consultation responses by parking zone is circulated to the OSMC	Information circulated to the OSMC on 6 <sup>th</sup> November 2013	
			2) That officers identify if the feedback from residents indicated whether residents would still favour parking zones if charges were imposed	Information circulated to the OSMC on 6 <sup>th</sup> November 2013	
			3) That an assessment of the proposed residents parking schemes consultation costs and timescales is circulated to the OSMC	Information circulated to the OSMC on 6 <sup>th</sup> November 2013	
			4) That when consulting residents on parking permits they are made aware of proposed developments in the vicinity	Information circulated to the OSMC on 6 <sup>th</sup> November 2013	
			5) That a breakdown of administration and enforcement cost for Residents' Parking Zones, together with the income from permits (distinguishing between first and second permits) and	Information circulated to the OSMC on 6 <sup>th</sup> November 2013	

Date	Portfolio	Title	Action proposed	Action Taken	Progress Status
			penalties, both current and as estimated under the proposed new policies, is circulated to OSMC, alongside the areas on which parking income can be spent		
			6) That the Cabinet Member discusses with the Universities and University Hospitals Southampton the possibility of them contributing financially to the costs of the relevant resident parking schemes in the City, and that the OSMC be advised if, and what, contributions are currently received	Information circulated to the OSMC on 6 <sup>th</sup> November 2013	
10/10/13	Officer Decision	Evening parking charges	1) That the cost associated with excluding Sunday evening from the evening parking charges proposal be circulated to the OSMC	Information circulated to the OSMC on 6 <sup>th</sup> November 2013	
16/10/13	Leader	Strategic Services Partnership Extension	1) That the Executive encourage Capita to consider how they can develop their Corporate Social Responsibility offer in Southampton	The Executive are continuing their dialogue with Capita to develop the Social responsibility aspects of the contract.	
			2) That the Executive explore opportunities for additional services to be added to the Capita contract as soon as possible, where advantageous for the Council to do so	As set out by the Leader at OSMC on the 16 <sup>th</sup> October, the Executive will explore further opportunities to add additional services to the Capita contract post signing of the contract extension where it is advantageous to do so	
			3) That the Leader be requested, during further negotiations, to encourage Capita to sign up to the Council's Living Wage pledge	Further dialogue is ongoing to secure Capita's commitment to sign up to the Living Wage. It is anticipated that an agreement on the Living Wage will be secured in time for the Full Council decision	
			4) That membership of the Strategic Partnership Board includes a member of the opposition	Agreed and the governance drafting will reflect this in contract extension. The opposition member will be nominated by the Leader of the largest Opposition Group	
			5) That a list of the current Capita contract KPI's (Key Performance Indicators) be circulated to the OSMC	Circulated to the OSMC on 28/10/13	

Date	Portfolio	Title	Action proposed	Action Taken	Progress Status
			6) That, in recognition of the reputational risk to the Council and the channel shift proposals, the developing Key Service and Key Performance Indicators place an emphasis on customer service	A full review of the KPIs and PIs is scheduled for January 2014, and customer services will be included in the review	