

## North Yorkshire County Council

### Corporate and Partnership Overview and Scrutiny Committee

Minutes of the meeting held at County Hall, Northallerton on 11 June 2012 commencing at 10.30 am.

**Present:-**

County Councillor Liz Casling in the Chair.

County Councillors Karl Arthur, Philip Barrett, Bernard Bateman, Helen Grant, David Jeffels, John McCartney, Janet Sanderson (substitute for Stephen Shaw) and Geoff Webber.

**In attendance:**

Executive Member County Councillors Carl Les and John Watson.

**Officers:**

Peter Bright (FCS), Dominic Passman (FCS), Rob Polkinghorne (CEG), John Moore (FCS), Fiona Sowerby (FCS), Jonathan Spencer (CEG) and Geoff Wall (FCS).

**Present by Invitation:**

Steve Bruckshaw (Post Office Ltd.), Simon Drinkwater (Post Office Ltd.) and Gordon Rose (Post Office Ltd.).

Apologies for absence were received from County Councillors Val Arnold and Brian Simpson.

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**Copies of all documents considered are in the Minute Book**

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**81. Minutes**

**Resolved –**

That the Minutes of the meeting held on 19 March 2012, having been printed and circulated, be taken as read and be confirmed and signed by the Chairman as a correct record.

**82. Public Questions or Statements**

There were no public questions or statements to be put to the Committee.

**83. Post Offices**

**Considered –**

The covering report of the Corporate Development Officer and the oral report of the Senior Stakeholder Manager (North East), Post Office Ltd., outlining changes to the

post office branch network and potential opportunities for partnership working between post offices and public sector services.

Gordon Rose, Client Director – Government Services for Post Office Ltd., explained about the work that Post Office Ltd. was undertaking with various local authorities to develop new forms of service delivery, improve customer access and reduce costs. A range of council services could be provided over post office branch counters. These included cash collection and payments, form checking, identity verification, digital support services, processing applications, printing on-demand council forms and customer reporting.

Steve Bruckshaw, Senior Stakeholder Manager (North East) for Post Office Ltd., provided an overview of the forthcoming changes to the branch network relating to Post Office Ltd's Network Transformation Programme. He said that over the space of two to three years 6000 branches would be converted into the modern face of the Post Office. The principle of the transformation programme was to create a sustainable and profitable network. The Government had made a commitment for there to be no planned branch closures within the current Parliament and had made available £1.34 billion to fund the transformation programme. The transformation programme amounted to the largest investment programme in the Post Office's history. At the regional and local level there could be changes in branch locations due to the fact that Post Office 'Locals' and 'Mains' would be located in retail premises. Ways to bring in additional revenue for the business were being sought, including the expansion of financial services.

Simon Drinkwater, Area Manager (North East) for Post Office Ltd., explained about his role in promoting the benefits of the transformation programme to sub-postmasters in the area. Branches that transferred to a 'Local' or 'Mains' would receive funding to refurbish the premises. Sub-postmasters were not being forced to go into the scheme and those that chose not to would retain their current operating model and continue to be supported by subsidy payments.

Members made the following comments:

- The viability of village shops had been threatened in areas which had lost post offices. Accordingly many rural communities wished to see their post office branches re-instated. Simon Drinkwater confirmed that the transformation programme would not create a net gain in the number of post office branches. The intention was to retain the existing network of 11,500 branches in the UK. Mutualisation of the Post Office could in the future provide opportunities for new branches to be created. However mutualisation would be dependent upon the success of the Post Office Ltd's current strategy towards financial and commercial stability.
- Security concerns about cash collection and storage in Post Office Locals and Mains due to the removal of the 'fortress' counter in place in existing branches. Simon Drinkwater explained about the security arrangements that would be put in place at these branches.
- Concerns about the displacement of queues from the post office counter to the retail counter in Post Office Locals. Simon Drinkwater mentioned that in general the Post Office was trying to ensure that there was a move away from paper-based to electronic transactions. Post Office Locals in particular would not include the more time-consuming paper-based transactions. The Post Office would be working closely with sub-postmasters in Post Office Locals and Post Office Mains to make best use of the physical layout of branches.

- A Member expressed his concern about a post office branch in his Division which had no disabled access. He went on to ask if there were any plans to relocate the branch to enable disabled access to be provided. Simon Drinkwater explained that because the branch was a privately-owned business the Post Office could not force the sub-postmaster to move to alternative premises. However the Post Office was aware of the accessibility issues at the branch and was in discussion with the sub-postmaster. He went on to note that part of the funding agreement for sub-postmasters wishing to transfer to a Post Office Local or a Post Office Main was that branches needed to be accessible. This would either involve the branch being relocated to alternative premises or work being undertaken at the existing branch to provide disabled access.
- The Chairman asked how the Post Office would ensure that customer footfall did not fall in those instances where post offices were co-located in other premises. Simon Drinkwater confirmed that before post office assets were rationalised through co-location, careful consideration would be given to ensuring that customers would not be inconvenienced by the change of location. It was also hoped that new customers including young people would be attracted to using their local post office through the introduction of new services such as digital support services. He went on to note that Members could assist the Post Office by helping to communicate changes about the branch network to their residents and also feedback customer issues to the Post Office.
- The potential to link up with the County Council's library service, in particular the mobile library to enable the more remote rural areas in the county to have access to post office services. Steve Bruckshaw said that he would be interested to investigate this possibility and mentioned that he was presently in discussions with Newcastle City Council to link up with its library service.
- The work being undertaken by Ryedale District Council and post offices within the district to deliver district council payment services in post offices and examining the possibility for co-locations on a case by case basis. A good working relationship had developed between the District Council and Post Office Ltd. and there could be the potential for partnership working with the County Council in relation to its transactional services. Problems encountered in Ryedale included the lack of broadband access at post office branches and the Post Office Mobile outreach service. There could be potential for the Post Office to partner with the County Council's Supermobile library, utilising its broadband connection.
- The Chairman noted that following the branch closure programme in 2008 the County Council had investigated ways that some county council services could be delivered in post office branches. Lack of economies of scale, however had meant that it would not have been financially viable for such services to have been delivered in branches. She went on to ask what other possibilities there might be for partnership working alongside the libraries. Gordon Race confirmed that other potential avenues for partnership working would be around channel reporting. Post Office representatives would be attending the Customer Services Managers meeting in September to discuss this with the district councils and the County Council.

#### **Resolved –**

That Members note the Network Transformation Programme and opportunities for partnership working between post offices and public sector services.

#### **84. Executive Member's Oral Update – County Councillor John Watson**

Executive Member County Councillor John Watson presented an oral report to highlight current issues relating to his portfolio of property, procurement, IT and financial control.

The issues reported by Councillor Watson were as follows:

- NYNet – Nynet was approaching the closing stages of a lengthy procurement exercise to select a commercial provider to install and run super-fast broadband in the county, reaching 90 per cent of homes and businesses by the end of 2014. North Yorkshire County Council was on course to be the first local authority in the country to deploy fibre broadband using Broadband Delivery UK funds.
- Yorkshire Purchasing Organisation – YPO was now competing head on with private sector organisations and generating new business. A number of improvements had been made to the service and rates of absenteeism in the workforce had reduced.
- North Yorkshire Credit Union – Recent developments had given rise to concerns about the future sustainability of the Credit Union. The Financial Services Authority (FSA) had instructed the Credit Union to increase its capital balance by £450,000. If the Credit Union failed to do so it was highly likely that the FSA would withdraw the Credit Union's licence. Accordingly the Credit Union had approached North Yorkshire County Council and the City of York Council for this additional funding. Cllr Watson went on to explain the risks of providing additional funding to the Credit Union in light of its current performance, referring to the high percentage of loans that had been written off and related deteriorating forecast losses. A joint meeting of representatives from City of York Council and North Yorkshire County Council would be held on 12<sup>th</sup> June to discuss whether to provide the additional funding to the Credit Union. If the Credit Union ceased trading it would become a debt-collecting organisation to pursue the outstanding personal loans. Another option would be for the Credit Union to seek a merger with a neighbouring Credit Union. However it was unlikely that the FSA would allow North Yorkshire Credit Union to transfer its current level of liabilities to another Credit Union.

Councillor Watson invited Members to comment. Members acknowledged the significance of the situation relating to North Yorkshire Credit Union and supported the actions that were being taken to reach a solution that was in North Yorkshire County Council's best interests.

#### **Resolved –**

That the Executive Member's report be noted.

#### **85. Procurement**

Considered –

The report of the Corporate Director (Finance and Central Services) inviting the Committee to consider a range of information relating to procurement activity during 2011/12.

Members made the following comments:

- The spend analysis system should in future include expenditure paid through the CHAPS bank transfer system. This would provide a more complete picture of procurement-related spend. Geoff Wall, Assistant Director (Central Finance), confirmed that he would investigate this, noting that there were technical issues that would need to be overcome.
- The rationale for re-tendering for a contracted-out procurement service. Geoff Wall commented that because certain procurements were carried out on an episodic basis it made more sense to use external support to bring in the right skills at the right time, rather than to employ staff in-house on a permanent basis. A number of issues would arise if the service was brought in-house due to the Transfer of Undertakings (Protection of Employment) Regulations. The intention was that the selected contractor would provide a different service from that delivered previously, reflecting the fact that the County Council's main priority in the future was for support to specific procurement and contract management work. Work undertaken during the period of the current contract meant that the Council had a foundation of good practice, and less need for compliance work. In addition the new arrangements to manage procurement arising from the One Council review had led to a different focus from the contractor in respect of strategic advice and guidance.
- Savings arising from the re-tendering of contracts should not be included as efficiency savings under the One Council programme. This was because these savings would have been made regardless of the One Council programme. John Moore, Corporate Director (Finance and Central Services), responded by noting that recent savings had in part resulted from the market working in the County Council's favour. However they had also resulted from more effective procurement processes, leading to more sophisticated procurements. The challenge would be to continue to achieve savings should market conditions become less favourable to the County Council. The structural changes and new business processes being put in place under the procurement and contract management One Council workstream were helping to ensure that across all directorates the County Council continued to achieve improved value from procurements.
- The work of the Regional Procurement Group in exploring the potential for new collaborative arrangements and the work that had been undertaken to date. John Moore noted that although in principle collaboration was a good idea, the County Council needed to ensure that in practical terms it got a good return. Accordingly the County Council and other local authority partners on the group were keen to make sure that collaboration focused on larger scale procurements. The Group was looking at the potential for new collaborative procurements. If these came to fruition an individual authority within the group would act as the lead authority for the procurement in some instances, whilst in others the Yorkshire Purchasing Organisation would undertake the procurement on the group's behalf.
- Sustainable procurement including the impact of procurement on the local economy. Geoff Wall confirmed the measures that had been undertaken to help local firms to compete for the County Council's business, as outlined in paragraph 6.4 of the report. He noted that the County Council needed to balance measures aimed at sustaining the local economy with the need to achieve best value when procuring goods and services. The regulations relating to Public Services (Social Value) Act were awaited but could have an

impact upon the Council's procurement approaches to achieve sustainable procurement.

**Resolved –**

- (i) That the report be noted.
- (ii) That the feasibility of including CHAPS payments within the spend analysis system be examined.

**86. Property**

Considered –

The report of the Corporate Director (Finance and Central Services) inviting the Committee to consider the performance of the County Council in relation to property in 2011/12; the performance of Jacobs Engineering in relation to property; and the performance of the County Council's property contractors.

Members made the following comments:

- The absence of figures in the report showing the County Council's current financial liability to property maintenance in comparison with previous years; and the impact that budget reductions in the property budget had had upon the backlog in property maintenance. John Moore explained that the condition data for 2011/12 showed that even though the capital budget for property had fallen, the number of properties which had significant condition issues had reduced from previous years. The overall condition of the property estate had also improved. Only one property remained as a priority for action. Peter Bright, Assistant Director (Corporate Property Management), confirmed that following the meeting he would provide the Member concerned with a breakdown of the condition data for 2011/12 on County Council owned properties.
- The upward trend in consumption in the last four years, particularly in schools, and whether the continued existence of life-expired temporary classrooms was contributing towards this rise. John Moore responded by noting that the reason for increased energy consumption in schools was due to the fact that schools were using more technology and had extended their opening hours for after-school activities. Schools were using their energy more efficiently but for longer periods.
- Water consumption in schools and the measures being taken to improve water conservation including the introduction of metering and low flush WC systems. Peter Bright mentioned that the County Council had ongoing discussions with schools to raise awareness about water consumption, and provided advice to schools on ways to improve their water conservation. Ultimately it was down to the Governing Body of each school to decide how it allocated its budget. He went on to explain about the Automatic Meter Reading service referred to in the report.
- The incidence of legionella in schools. Peter Bright noted that the County Council's approach was to prevent legionella from occurring in the first place. Water supplies in schools were tested regularly and advice and training was provided to designated staff.

## **Resolved –**

- (i) That the performance of the County Council in relation to property in 2011/12 is noted.
- (ii) That the performance of Jacobs Engineering UK in relation to property is noted.
- (iii) That the performance of the County Council's property contractors is noted.

## **87. Health and Safety and Insurance Claims**

### **Considered –**

The report of the Corporate Director (Finance and Central Services) inviting the Committee to note health and safety performance in 2011/12 and indicate any areas where Members believed further efforts should be made to improve the health and safety performance of the County Council; and to consider the information provided in relation to insurance claims and determine if any further actions were required.

Members made the following comments:

- The increase in non-employee reportable accidents in 2010/11 had been ascribed to the poor weather conditions during the winter of that year. However non-employee reportable accidents had continued to increase in 2011/12. Dominic Passman, Head of Health & Safety Risk Management, responded by noting that the majority of these incidents related to pupil accidents during PE sessions and general slips, trips and falls. There was a need to work with schools on managing health and safety risks especially in PE sessions. It was important to note though that it could never be the case that all pupil-related accidents could be avoided despite the safety measures put in place. He went on to mention that the County Council had done a lot of work with schools to manage the problems associated with ice and had effective systems in place to manage those risks.
- The number of claims made arising from damage to cars due to potholes in the public highway. Fiona Sowerby, Corporate Risk and Insurance Manager, referred to paragraph 11.5 of the report. She confirmed that the number of insurance claims arising as a result of the formation of potholes in the public highway had increased during the two winters of 2009/10 and 2010/11. Out of approximately 400 claims in each of those years, 40 claims had been successful. This made the current repudiation rate for these pothole/road surface claims at 90% for each insurance year.
- The Chairman asked for further details about the violent indicator warning system outlined in paragraph 4.3 of the report and asked if the information could be shared with Members. Fiona Sowerby explained how the warning system worked. She advised that the information held on individuals was recorded on a 'need to know' basis, for example for front-line staff to access when visiting clients. The information kept on the system was regularly reviewed and subject to data sharing regulations and so should not be shared more widely.

**Resolved –**

- a) That H&S performance in 2011/12 is noted and that no further actions are required.
- b) That the information provided for insurance claims is noted and that no further actions are required.

**88. One Council Update**

Considered –

The oral report of the Chair of the One Council Members Task Group and the Organisational Change Programme Director providing the Committee with an update on the One Council programme.

The Chairman reported back on the Task Group's meeting in May. The group had agreed that its future direction would be to focus on the future organisational model, the customer access workstream, programme performance (with a focus on financial savings) and the cultural change agenda. The group had also scrutinised the programme plan to make sure that frontline services would be protected and financial savings made to balance budget over long term. At the task group's next meeting, the group would be meeting with Richard Flinton to discuss the progress of the One Council programme to date and to get his insight into future developments.

The Chairman mentioned that the greatest challenge would be to get the whole Council on board with the change programme and move in the same direction. Rob Polkinghorne noted that as with all change relating to staff, there would be particular challenges arising from staffing restructures. To date the focus of the Management and Supervision workstream had been to look at staffing structures below the level of Assistant Director. However later in the year the Chief Executive would be looking to make any further changes to implement the future organisational model.

On behalf of the Task Group the Chairman wished to record her thanks formally to Rob Polkinghorne for his work in supporting the group to date.

**Resolved –**

That the progress of the One Council programme and the work of the One Council Members Task Group be noted.

**89. Work Programme**

Considered –

The report of the Corporate Development Officer inviting the Committee to consider the work programme.

Jonathan Spencer, Corporate Development Officer, noted that the report on social media would be presented to the Committee's meeting in September. The report on the Council's new performance management system would be presented to the Committee's meeting in November.



**Resolved –**

- a) That County Councillor Helen Grant be co-opted on to the One Council Members Task Group.

The meeting concluded at 12.54pm

JS/ALJ