scrutiny
focus on performance

REPORT OF: The Corporate Resources Overview and Scrutiny Committee

REPORT TO: Policy and Review Committee

ON: 24th May 2010

TITLE: Recommendations and End of Year Report of the Corporate Resources Overview and Scrutiny Committee

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1. Purpose of the Report

This report presents to the Committee the work of the Corporate Resources Overview and Scrutiny Committee and recommendations on the topics in its work programme.

2. Introduction

The Corporate Resources Overview and Scrutiny Committee agreed its work programme at the first meeting of the year following the outlining of the key issues facing each of the portfolios it covers by the Executive Member and Officers. The Committees proposed work programme was submitted to the Policy and Review Committee who agreed to the topics and asked that they be scoped and focused. This was completed and submitted to the August meeting of that Committee. This report sets out how the Committee have achieved the scope and focus and the results of their scrutiny.

3. Gateway Review

The Committee agreed at its meeting in June 2009 that it would look at its legacy item the Gateway Review, as the Committee felt that the progress of the review, its costs and benefits required further scrutiny.

At the November 2009 meeting the Committee commenced their work on the topics by receiving a briefing report from the Director for Programmes and Governance regarding the Council's Capital Programme Gateway Review After the initial presentation from the Director for Programmes and Governance and detailed questioning from the Committee, Members sought further information on the Gateway Review process, example of projects specifically those that had failed as well as details of the costs and benefits of the projects.

The Committee scrutinised a report detailing examples of projects that had been through the Gateway review, examples of projects rejected by the review and feedback from Project Managers who had been through the Gateway review.

Members obtained examples of small and large projects that were successful:-

- Turton Tower Refurbishment -£228,000 (over 2 years)
- Christmas Lighting £80,000 (over 2 years)
- Old Town Hal Lift Replacement - £97,000
- Blackburn Cathedral Quarter Development -£3,800,000 (over 4 years)
- Old Town Hall Stonework's - £3,735,000 (over 5 years)

Members further studied examples of projects that had been rejected at the first stage (project Brief Stage) in the Gateway Process by the Chief Executive Strategy Group (CESG) as the business cases were seen to be weak and it was felt that the projects would not be delivered within the timescales specified, these included:-

- Davyfield Road Office Block - £1,388,400
- Darwen Access Point - £500,00
- Waves Development - £16,500,000 (over 3 years

Finally Members scrutinised examples of projects that had been rejected at the second stage (after business case and Project Initiation Document) (PID), these included:-

- Mercury Abatement - £1,000,000
- Pleasington Cemetery Extension - £677,000
- Development of a CRM Strategy and Supporting IT - £580,000

Did we do what we said we would do?

- Receive presentations on the current position of the Gateway Review ✔

- Review the recommendations of the Corporate Resources Overview and Scrutiny Committee on this topic ✔
- Look at how staff are trained and developed to undertake the Gateway Review ✔
- Review how the Gateway is funded and the cost vs benefits to the Council ✔
- Look at how other organisations deal with the issue ✔

Recommendations

1. That consideration ought to be given towards a system of prioritisation and allocation of capital against Council Vision and Objectives and this should be consistent with the service and business planning cycle of the Council's financial year.

2. That the Programme Management Team responsible for the Gateway process ensures departments provide timely and accurate costs for projects going through the Gateway process. This should require ALL departments to comply by ensuring early identification of projects and potential resource requirements from other departments e.g. IT and Legal.

3. That the Programme Team ensure support is offered at all stages of the Gateway process.

4. That the Council's Capital spend is properly accounted for and that realistic and SMART targets are set to ensure accurate spend projection and high percentage of Capital Spend is achieved during the year.

5. That the Executive Member promotes the Gateway process across all Council departments to help embed the process in the culture of project planning and ensures that all published agenda reports show clearly whether a project has been through the Gateway process or not.

6. That the Executive Member and Officers be congratulated for the current progress of the Gateway review and that further work be done to ensure that value for money is achieved through the use of the process.

4. Asset Management

The Committee agreed at the beginning of the year that it wished to view the criteria for land/property purchases under the Council's Asset Management strategy.

The Council's Head of property at the October meeting detailed to the Committee the main themes of the Strategic Property Acquisitions programme for 2009/10 and explained the rationale and priorities for land and property acquisitions.

Members were informed that the Council had an active programme of regeneration projects aimed at delivering a range of social, economic and community benefits throughout the borough. These included strategic transportation infrastructure projects, public realm improvements and major town centre redevelopment schemes.

Members identified that land and property acquisitions were needed for land assembly purposes in order to deliver the schemes, to acquire ownerships in longer term redevelopment sites and to enhance the value of the Council's tenanted investment portfolio. Funding was mainly available from borrowing and requires repayment.

The Committee found that the land and property acquisitions included in the programme for 2009/10 had been developed around the following main themes:

- Supporting town centre redevelopment schemes
- Acquisitions within the Knowledge Zone
- Freckleton St and Furthergate link road acquisitions
- Consolidating and enhancing existing town centre property investment holdings

The Committees questioning found that the estimated acquisition costs of the properties included in the Acquisitions Programme for 2009/10 substantially exceed the available funding and so there was a need to prioritise the proposed acquisitions.

It was also identified that there was also no certainty that any of the acquisitions could be successfully negotiated, so the programme was to be viewed as a list of options to be pursued during 2009/10 and probably into 2010/11.

Following the meeting in October, Members considered that to enable an accurate reflection on the Acquisitions Programme for 2009/10 that a detailed report on the review of property income budgets for 2009/2010 would be required for Members considerations.

This information was presented to the Committee at its January 2010 meeting and was considered in Part 2 due to its commercial sensitivity.

> **Did we do what we said we would do?**
>
> - Identify themes of the Strategic Property Acquisitions programme for 2009/10 ✔
> - To review the process used by the Council ✔
> - Look in detail at facts and figures of the Property Acquisitions programme ✔
> - Seek the views of All Members of the Council ✔

Recommendations

1. That the Committee thank the Executive Member for his detailed reports and acknowledge that much of the information was confidential.

2. That the Committee note the actions and the ongoing review of the Industrial portfolio by Capita and measures put in place to encourage occupier interest and new lettings.

5.   IT Transformation

At the meeting held in June 2009 the Committee chose to examine and pro-actively monitor the IT transformation programme as its main topic for the year. A full scope of the topic was drawn up at the Committee's August meeting which also received a presentation by the Director of ICT providing the Committee with a good understanding of key issues re: resources and the delivery of the implementation programme.

In August the Committee received from the Director for Business Transformation and IT a briefing paper on the IT Transformation Programme, including its scope, progress to date, phasing and expected challenges.

Members learned that the Council's existing IT systems and services had been recognised as being inadequate for the Council's current needs. These needs covered several areas;

- Ageing and expensive IT equipment and applications.
- Skills, culture and resource issues within the team.
- Inconsistent ways of working.

The transformation programme consisted of a set of inter-related projects, to be delivered over a number of years. The scope of the programme was to;

- Improve delivery capabilities and ways of working.

- Establish a fit-for-purpose IT infrastructure.
- Introduce the technology solutions required to realise the Council's vision.
- Provide better and more integrated applications and data stores.

Members were briefed in detail of the restructuring of the IT team, the proposal to build a new data centre, new ways of working and the Government Connect project. Members were informed that the estimated cost for the IT Transformation programme was £4.5 M.

After detailed questioning, Members were informed that the IT systems the Council had where crumbling and that the transformation programme was important, but costs were being kept to a minimum where ever possible.

Also at the August meeting the Chair and the Vice Chair along with Councillor I Hussain agreed to form a Sub Group with the purpose of scrutinising the Council's IT Transformation Programme and other IT developments relating to the impact on public access to information technology at the Borough's libraries.

Between August and December as part of its work programme the Sub Group :
- Met with the Director for Business Transformation and Information Technology for detailed discussions relating, amongst other things, to the Council's current and proposed public access policies, strategies and the potential implications on the proposed developments of the Council's current and projected budgetary position;
- Met with the Head of Cultural Services and Officers in the borough's Library Division for detailed discussions relating to the Borough's current and proposed public access provisions and IT facilities at all the Council's libraries.
- Undertaken a site visit of the public IT facilities at the Central Library, Blackburn;
- Received information on the terms of referance and discussions of the monthly meetings of the Council's Public Access Project Group.

In January 2010 the Strategic Director for Resources informed the Committee that the Director for ICT had recently left the Council and that as an interim measure she would assume the responsibility for the IT Transformation Programme.

The Committee learned that Bolton Council's Director for ICT would be working with the Council's I.T department on the IT Transformation Programme and to provide the Committee with an overview and the current condition of the Council's I.T department.

In light of the absence of a director for ICT with who the Committee had been working closely with, Members felt that they would be unable to complete their work on the topic. The Committee along with a number of recommendations obtained assurance from the Strategic Director for

Resources that the work of the IT Transformation Programme would continue and that the Committee would monitor the situation.

Did we do what we said we would do?

- To receive an overview of the services provided ✔
- To pro-actively monitor the IT transformation programme ✔
- Evidence is obtained that identifies any gaps in the IT Transformation Programme ✔
- Undertake visits of public IT facilities at the Central Library ✔

Recommendations

1. That the Executive Member ensures that the Council is aiming for the highest level possible of security for its process and functions for all electronic and ICT equipment and processes.

2. That in the absences of the Director for IT that the Executive Member ensures that the progress of the IT Transformation programme continues and that the Committee welcomes the use of the Bolton Council's Director for IT as an interim Measure.

3. That the Executive Member ensures that there are no further delays in the Council's new data centre and that current timescales and cost are kept too.

4. That the Executive Member takes the opportunity to use Bolton Council's Director for IT to benchmark the current ICT systems and plans the Council has in place for its IT.

5. That the Executive Member ensures an ongoing educational process which recognises the importance of all involved achieving an "IT security aware culture".

6. That the Executive Member commits to ensuring that all public assess pc's are fully operational and will not allow the current situation of 40% of public pc's out of action not to happen again.

6.   Council Partnerships – Comprehensive Area Assessment (CAA)

Like all Committees, the Corporate Resources Overview and Scrutiny Committee was asked to examine how the partnerships within the Local Strategic Partnership (LSP) were working towards prioritisation of resources to deliver the Council's/LSP joint objectives.

At the August meeting the Committee, Members held discussion with the Chair of the LSP and the Chair of the LSP finance group on the the fuctions of the LSP in order to allow the Committee to have a better understanding of how the LSP finances, oversees and monitors spending on schemes to achieve agreed outcomes and ensure schemes were achieving value for money .

Did we do what we said we would do?

- Obtain evidence that there are assurances and adequate monitoring under the CAA Organisational Assessment – Use of Resources ✔
- Obtain an understanding of the role and objective of the LSP in relation to the Resources Overview and Scrurtiny Committee ✔
- To look at inputs and outcomes of the LSP ✔

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7. **Past Recommendations / Outcomes:**

At the November meeting, the Committee received a response from the Executive Member for Resources on Debt recovery, benefits and bailiffs, and the 14 recommendations they had put forward.

8   **OVERVIEW OF PROCESSES USED:**

- Visits undertaken
- Briefings with Relevant Members and Chief Officers
- Informal meetings with Chief Officers
- Internet research
- Briefing reports
- Taken part in discussions with officers to look in depth at issues and seek relevant information
- Called expert witnesses and critical friends
- Questioned the Executive Member
- Questioned bodies delivering services
- Talked to service providers both internally and externally.
- Task & Finish groups.
- Focussed presentations.
- Examined best practice.

9. **BARRIERS TO SCRUTINY**

- Staff changes
- Time.
- The complexity of some of the issues.

10. UNSUCCESSFUL PROCESS

- Lack of public engagement.
- Visiting more places.

11. SUCCESSES

- Delivered both Overview and Scrutiny.
- Influenced policy.
- Made a difference.
- More recommendations being accepted.
- Use of external evidence.
- Outcome focussed scrutiny.
- Recommended service improvements.

12. LEGACY ITEMS:

- Continue to monitor the IT Transformation Programme.

Councillor Gordon, Chair and Councillor Talbot, Vice Chair of Corporate Resources Overview and Scrutiny Committee

Brian Gordon   **Damian Talbot**
Chair   **Vice Chair**

Contact Officer   Diane Hill   ext: 5757
                   Sayyed Osman   ext: 5340
                   John Addison   ext: 5113

Background Documents: Agenda for meetings 2009/10, Minutes of meeting 2009/10, Reports to Policy and Review Committee 2009/10

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