

KENT COUNTY COUNCIL

SCRUTINY COMMITTEE

MINUTES of a meeting of the Scrutiny Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Wednesday, 17 April 2013.

PRESENT: Mr R F Manning (Chairman), Mr D A Hirst (Vice-Chairman), Mr B R Cope, Mr G Cowan, Mrs S V Hohler, Mr P J Homewood, Mr R J Lees, Mr J E Scholes, Mr R H Bird (Substitute for Mrs T Dean) and Mrs E M Tweed (Substitute for Mr C Wells)

ALSO PRESENT: Mr P B Carter, (Leader of the Council), Mr G K Gibbens (Cabinet Member for Adult Social Care and Public Health), Mr J D Simmonds (Cabinet Member for Finance and Procurement) and Mr L Christie

IN ATTENDANCE: Mr A Ireland (Corporate Director, Families and Social Care), Mr M Lobban (Director of Strategic Commissioning), Mr P McCallum (Strategic Initiatives Advisor), Mrs J Doswell (Project Manager) and Mr K Bratley (Category Manager: Corporate and Learning)

UNRESTRICTED ITEMS

23. Minutes of the meeting held on 26 March 2013

(Item A4)

RESOLVED that the minutes of the meeting held on Tuesday, 26 March 2013 be approved as a correct record and that they be signed by the Chairman.

24. Decision Ref: 13/0001 Appointment of Efficiency Partner for Delivery of Transformation Programme

(Item B1)

- (1) The Chairman welcomed Members and the witnesses to the Scrutiny meeting.
- (2) The Chairman then set out Mr Christie's reasons for calling in the decision to appoint Newton Europe as the transformation and efficiency partner to manage the delivery of the Adult Social Care Transformation Programme.
- (3) Mr Christie raised a number of further points and questions:
 - a. That the debate should be held in public
 - b. Why the decision was not taken by the Cabinet Member but instead by the Leader of the Council?
 - c. Who decides where the savings would be made?
 - d. Why the Directorate didn't have the skills to undertake this review in house.
- (4) In relation to paragraph 1 (5) of the introduction Mr Christie asked who the consultant company was who advised KCC during the review? If it was Newton Europe was the Committee comfortable that this was the same company who was awarded the contract?

- (5) The Leader explained that significant savings needed to be found within the Adult Social Services budget and that the most efficient way of carrying out this piece of work was by engaging with Newton Europe. Members were keen to determine whether the service provided by Newton Europe was satisfactory and in response the Leader explained that he had been impressed at their identification of savings within the middle office to enable a reduction in the bureaucracy for the social workers on the front line. Adult Social Services was a complex directorate and it was necessary to obtain an independent view of the deliverability of savings. The Leader explained that Mr Gibbens was on leave when the decision was taken but they were in close contact. Every week that the decision was delayed was costing the Council £300,000 - £400,000 of 'lost' savings and Newton Europe had assembled a team to start work as soon as the contract was in force.
- (6) The contract with Newton Europe was on a payment by results system and the Council's finance team had inspected the contract to ensure that any savings made would be honest savings; the Council would be exposed to risk if the savings were not found.
- (7) Mr Gibbens confirmed that he was on holiday when the Leader took this decision and that he endorsed the decision being taken shortly after Easter. Mr Gibbens stated that this was not about cutting services but about doing things differently for the people of Kent and transforming services for vulnerable people in the community.
- (8) The Chairman asked whether the savings were deliverable, and where the threats and weaknesses were. Mr Ireland explained that a diagnostic exercise had been undertaken to test whether the transformation approach could deliver savings. There would be a need to commission different services with different outcomes, to reduce dependence with an intense programme of enablement. It was not possible to do this in house due to the scale of the task, the pace at which it needed to progress and the capacity within the service.
- (9) The call in was welcomed by the Committee who were able to ask questions and for an explanation of the process. One Member queried what would happen if the consultants recommended policies that delivered savings but were not acceptable to members? Mr Gibbens explained that the consultants knew the policy of the council so Newton Europe would be working within the agreed policy of Kent County Council to deliver savings. With regards to the capacity of the service to carry out this review in house many management professionals had been removed from the service and so it did not now contain a large number of staff. Key staff were delivering the tasks for which they had been trained and against which they would be managed.
- (10) A Member raised concerns about the decision and asked how many members were aware of the additional cost of the consultants and the savings figures. Mr Lobban explained that KCC had been part of the Local Government Association Efficiency programme and was successful in bidding for a grant which was put towards the diagnostic provided by Newton Europe. The diagnostic was factual, the consultants then looked at opportunities for the Council based on their own opinion. There was a framework within which the consultants looked for opportunities; there would be no recommendations that fell outside of agreed

Council policy. Once the contract was awarded it would be necessary to agree the Governance arrangements and Mr Ireland stated that there was nothing in the process that circumvented the formal decision process. There was an arrangement with the efficiency partner that would fit in with the Council's Governance process and principles. There was confidence that there was a sufficient clarity of understanding and a strong working arrangement with Newton Europe that the issues would be dealt with in a pragmatic way.

- (11) Mr Simmonds clarified that Andy Wood, Corporate Director of Finance and Procurement, had spoken in depth about embarking on this project when he discussed his Section 151 officer responsibilities at the County Council meeting. Mr Simmonds considered that staff within the Adult Social Services Directorate were not the right people to make the changes necessary within the service, different skills were needed, this was endorsed by the Leader.
- (12) In response to the earlier comment about how many members knew about the decision the Leader reminded Members that the move to Cabinet Committees allowed more openness in discussions and pre-scrutiny of decisions. Adult Social Care was facing increasing demand and pressures, older people were living longer and other boroughs were placing people in Kent who needed care. It would not be possible to continue to spend on adult social care at the current rate. The Council had tried to recruit people with suitable skills to undertake this programme but it had not been possible.
- (13) It was accepted that there was no requirement to consult on an issue such as this but Mr Christie explained that the lack of early engagement with members had contributed to the issue being called in.
- (14) Members asked how they were going to be kept informed of the process, and/or made aware of any problems at an early stage. The Cabinet Member confirmed that he would report back on a 6-9 monthly basis to the Cabinet Committee and the Cabinet through the financial monitoring report.
- (15) Mr Lobban explained that officers were working to ensure the right links between cost, activity and outcomes.
- (16) In response to a question the officers confirmed that the Leader had had all the available documents when he took the decision.
- (17) A Member asked why the issues were not brought to the Cabinet Committee until the preferred bidder had been chosen. The Cabinet Member explained that the issue was discussed at County Council and the decision was published on the forward plan on 4 February and had been debated on 21 March.

That under section 100A of the Local Government Act 1972, the press and public were excluded from the meeting for the rest of the item on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

- (18) Following the exempt discussion the Chairman referred the Committee to the options they had with regard to this call in.

RESOLVED that the Scrutiny Committee express comments but not require re-consideration of the decision.

(19) The Scrutiny Committee expressed the following comments:

(20) The Scrutiny Committee welcomes the undertaking of the Cabinet Member for Adult Social Care and Public Health that there will be improved Member involvement in the monitoring of the efficiency partner contract with Newton Europe and asks for a report to go to the Social Care and Public Health Cabinet Committee every 6 months on progress in addition to the joint group mentioned below.

(21) However, the Committee believes it is important for ordinary Members to be made aware of problems and issues at an early stage and feels a small group of officers and Members should meet with the performance partners on a regular basis to monitor performance in an ongoing and proactive manner.

(22) The Committee feels that information had been provided to them which had not been made available to the Cabinet Committee and that if this information had been forthcoming earlier and the Cabinet Committee been more involved in the decision, it may not have been called in.