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**To: All Members of the County Council  
All Chief Officers**

**From: COUNTY SECRETARY'S  
DEPARTMENT**

**Ask for: Sally-Ann Cole**

**Ext: 5228**

**My Ref:**

**Your Ref:**

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**RESOURCES, PROSPERITY, PARTNERSHIP AND CONSULTATION SELECT  
COMMITTEE**

**THURSDAY 15 MARCH 2001 AT 10.30 AM**

**MINUTES**

**ATTENDANCE**

**MEMBERS OF THE COMMITTEE**

N Agar, D Billing, N Brook, P V Goggins, B N W Hammond, B Lloyd,  
D E Lloyd (Chairman), R Mayes, G A G Pulman, R H Smith

**EXECUTIVE MEMBERS**

D Beatty (Resources), M H T Janes (Prosperity, the Region and Europe) J M Pitman  
(Community Information & Development)

**Other Members in Attendance**

R Ellis, K Emsall, G D Game, B Lamb

Upon consideration of the agenda for the Resources, Prosperity, Partnership and  
Consultation Select Committee meeting on 15 March 2001 as circulated, copy annexed,  
action was taken or decisions were reached on individual items as recorded below.

**CHAIRMAN'S ANNOUNCEMENTS**

Membership Changes

**R H Smith** had replaced **R A G Thomas**

**B Lloyd** had replaced **F Escott**

**N Agar** had replaced **R Choudhrey**

**D Billing** had replaced **I H Laidlaw-Dickson**

**R Mayes** had replaced **J T Metcalf**

**PUBLIC PETITIONS**

None

**QUESTIONS**

B N W Hammond asked the Executive Member (Prosperity, the Region and Europe)

Will the Executive Member for the Region explain the background to his estimate that Hertfordshire has lost £3 million as a result of the responsibility for allocating structural funds being assigned to regional bodies?

M Janes responded:

The current bidding round for structural funds is the first under Agenda 2000 which covers the period 2000-2006 and the first over which the East of England Regional Assembly via its Europe Panel has exercised any influence. I should say that the view of both Officers and the majority of elected Members on this Panel favours targeting of funds towards areas perceived as having the highest need. Because we have a record of effective bidding for ESF money and subsequently managing the projects in Hertfordshire, there is a sub-theme to this view that Hertfordshire has had more than its fair share in the past and should get less in the future.

In the new round we have lost as a result of two developments: -

- (1) the manner in which a portion of Objective 3 funding was ring-fenced for areas designated under Objective 2, none of which are in this County, which the Panel approved
- (2) the way GO-East, the central government agency in the region, on various pretexts changed the agreed procedure whereby Objective 3 ESF money within notional allocations not taken up in the initial round would be available for all partnerships to bid for in a later round, a change to which the Panel assented.

The figure of £3m loss comes from our Economic Development Unit. It is a broad estimate but I believe it is robust.”

B N W Hammond asked the following supplementary question:

Who are the County Council representatives on this Panel and what are they doing on our behalf?

M Janes responded:

"David Billing, myself and Chris White are on the Panel. David is a recent appointee and has only attended one meeting. I have taken strong exception to the action of GO-East at the Structural Funds Strategy Group and the Panel. I don't know what Chris White may have done behind the scenes, but I am not aware of anything overt. To be fair to him, he is not a representative of Hertfordshire as his Group is too small for him to be nominated from this Council to the regional Local Government Conference, which appoints 70% of the Assembly's membership. His position on the Conference and the Assembly, a very prominent position as Liberal-Democrat Group Leader, Deputy Chair and co-Chair of its

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Europe Panel, he owes exclusively to Liberal-Democrat representatives of other authorities on the Conference, very few of whom are from Hertfordshire.

Structural funds are technically complex so one is especially dependent on Officer briefing. I think Chris perceives some conflict of interest as he has declined all briefings from our Officers. There is of course a finite allocation of funds to the region. What Hertfordshire partnerships cannot access is available to other parts of the region where he finds his constituents."

D Billing responded:

"I represent the Labour Group on the Panel and since I have been appointed there have two meetings. The first meeting was in Brussels and I thought it was not worth spending the Council's money to attend. The second meeting was based locally and Michael Janes contacted me before the meeting and we received a briefing from John Papadachi and Dave Kellett. Michael also explained the need to get the review group to lobby the Panel to look again at the process and criteria of structural funding."

## **PART I ('OPEN') BUSINESS**

### **1. FRAMEWORK FOR THE CONSIDERATION OF CORPORATE PROCUREMENT AND OUTSOURCING**

[Officer contact: Clare Kaye 01992 555300]

#### **1.1 Cabinet Proposal**

"That the proposed framework for the consideration of corporate procurement and outsourcing be supported and forwarded to the Resources Prosperity and Partnership & Consultation Select Committee for comment."

1.2 David Beatty introduced the Cabinet Proposals and explained the framework for decision making will, if the select committees agrees, provide a method for deciding if a service should be outsourced or not. Each factor is given equal weighting as it is recognised that the importance of factors will differ depending on the service and circumstances.

1.3 Comments and questions during the discussion included:

- 1.4
- Were there any comparative studies of services being outsourced or kept 'in-house'?

Clare Kaye, Assistant Chief Executive confirmed that we have looked to see if other authorities have a similar vigorous approach. No other authorities have such a comprehensive system. The Best Value Review process does require comparison with other authorities and the success or otherwise of outsourcing processes will be part of this comparison – the framework will provide a starting point for this being provided.

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- 1.5 • Why do factors, such as, an increase in service appear on the negative side when surely an increase in service is a good thing?

Bill Ogle explained, using the example of the call centre, that the changes made through developing a service could result in increased demand resulting in more service being provided. Whilst this is positive it can result in burgeoning costs.

- 1.6 • What is meant by a bleeding edge?

Clare Kaye explained a “bleeding edge” service is one that has gone so far beyond the “cutting edge” that you can cut yourself.

- 1.7 • Have there been any ‘dummy runs’ on services that have previously been outsourced to see how the matrix had worked? If not will they be done?

Clare Kaye informed the meeting that the matrix had been tested on the reorganisation of the Highways Contract Services and was revised as a result. It was also tested by looking at transport outsourcing. We have found this a useful exercise and recognise that the possible framework can be further refined in the light of experience.

- 1.8 • Is the framework likely to reduce the cost of Best Value Reviews?

Clare Kaye replied that we are hoping that the test gives early indication of options which are not viable and so will cut out any unnecessary work early on.

- 1.9 • It was asked if there was any point either on the minus or plus side which would give a definite veto to a service option?

Clare Kaye said that there was not one particular factor that would outweigh other factors in every case. The results considering all factors will be shown clearly in a graph. The matrix does not replace the judgement that members and officers have to make on the best option. But it gives the information on which to base a judgement.

- 1.10 • The issue of defaults was raised and what happens if the provider goes bankrupt etc.

Clare Kaye explained that this test precedes any contract and any issues with the providers will be dealt with after the decision to outsource has been made and in the contract specification

- 1.11 • David Lloyd suggested that a credit ratings check be put in the track record.

Clare Kaye agreed that it would be helpful to have an expansion of the elements which influence a decision on scoring. The Risk Factor section could incorporate the committees concerns about providers' financial credentials.

- 1.12 • Although the preamble talks about services being brought back in-house, the primary factors are all reasons for outsourcing there is nothing in the section to say why you should bring services back in house.

David Beatty explained that this test would be used every time a contract was up for renewal and if the evidence made a clear case for bringing a service back in-house this would be considered.

- 1.13 • Assurance was sought that the County Council would still promote and encourage business with small Hertfordshire businesses.

Bill Ogley explained that this is a framework provided to look at services that potentially could be better. Once a decision to put a service out to tender had been made the Council's procurement strategy would come into play. This includes a whole range of factors including the influence on the local economy and environmental concerns.

- 1.14 • Concern was raised that once services have been outsourced we do not always have the infrastructure to put in a bid or the facility to take back the service which shows a bias in favour of outsourcing.

- 1.15 It was also noted that under the process of Best Value Reviews we are required to look at all options to provide the best service.

- 1.16 • A concern was raised that TUPE (Transfer of Undertakings Protection of Employees) legislation could mean that although a service was outsourced the result was little change as the same people had to be employed to do the same jobs.

Alan Warner confirmed that it was possible that this could happen depending on the nature of the contract. Although the management often changed the front line workers did not.

- 1.17 Response to Cabinet

That the proposed framework for the consideration of corporate procurement and outsourcing be supported whilst recognising that the matrix will continue to evolve in the light of experience and that further guidance on the issues of concern when allocating scoring to factors would be helpful.

## 2 MEMBERSHIP OF EXTERNAL ORGANISATIONS

D Roberts  
C Kaye

[Officer contact: Anne Fisher 01992 588690]

2.1 Cabinet Proposal

To refer this matter for comment to the Resources Committee of 15 March 2001 with a recommendation that the County Council withdraw from membership of the Assembly of European Regions (AER).

2.2 Comments and questions raised during the discussion included:

- 2.3
- It was asked for the total cost of membership of the AER including officer support and time.

Anne Fisher confirmed that when active in AER it was approximately £20,000.

- 2.4
- It was queried what has changed as a few years ago some members were very keen and supportive of membership to the AER.

Michael Janes explained that Hertfordshire only had representation on the sub Committee D (Education and Training, Youth and Culture) and that there has been some good work done in this area. However, this was a considerable resource in terms of officer time and support. The issues around this were set out in the report that was submitted to the Policy Committee in January 2000. The AER also has no influence over the allocation of structural funds.

- 2.5
- It was noted that the process of getting money from European funds can be very complex and it is difficult to know what role the AER has in this and what its aims and achievements are. Also, as stated in the report, more opportunities to do this are available from more appropriate organisations / forums.

Michael Janes explained that there are various European Union Schemes and bodies which have more influence including the Committee of the Regions (COR)

It was asked for a brief explanation of the COR to be attached to the minutes.\*

- 2.6
- The work of the Regeneration, Regionalism and Europe panel was questioned in particular with regard to relations with Europe and it was agreed that the panel would report to the next Select Committee meeting.

A Fisher

2.7 Response to Cabinet

That the County Council withdraws from membership of the Assembly of European Regions.

D Roberts  
A Fisher

## 2.8 \*Committee of the Regions and HCC

The Committee of the Regions is the formal mechanism by which local and regional government is consulted on European legislation and policy. It has the right to be consulted on a wide range of subjects, and may also issue its own opinions on other subjects where it identifies a local or regional interest.

There are 24 UK members (plus 24 'alternates' or substitutes). They were appointed by the Council of Ministers on the nomination of HMG, which consulted the local authority associations. All the UK members were sitting councillors at the time of appointment. Some attention was paid to regional as well as political balance. The full Members from the Eastern counties are Lord Hanningfield (Conservative) from Essex and Jane Hore (Labour) from Suffolk. Baroness Scott (Liberal Democrat) from Suffolk is an alternate Member. They are due for reappointment in January 2002 for a four year term. The advent of the Parliament in Scotland and the Assemblies in Northern Ireland and Wales, and possibly the regional assemblies in the English regions are likely to have an impact on the selection of Members for 2002-2006.

In the Eastern counties the three Members are invited to meetings of the Regional Assembly / EEDA Europe Panel, on which four Members from Hertfordshire sit. Officers from the County Council are part of the network of experts on which Committee of the Regions Members can draw for advice.

## 3 RECRUITMENT AND RETENTION UPDATE

3.1 [Officer contact: Carole Grimwood 01992 556667]

3.2 It was noted that the word "March" should replace "February" in section 3.3 page 5 of the report.

3.3 A presentation on was given by Carole Grimwood and a copy of the slides is attached.

3.4 The following comments and queries were raised on the presentation and during the debate:

3.5 The select committee expressed a wish that all leavers should have an exit interview.

Carole Grimwood confirmed that more work needed to be done on this matter. Currently all staff leaving receive a postal survey. Social workers are also asked to attend an exit interview. Telephone surveys have been tried, but have not been very successful.

3.6 • It was thought by the members of the Select Committee that managers should carry out exit interviews

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- 3.7 • The select committee also identified the retention and training of staff and the recruitment and retention of trainees as priorities.

- 3.8 • It was queried what percentage of turnover was classed as healthy.

Alan Warner said that there is no actual figure, but that 10-12% is normal and any higher than that is when the situation becomes difficult.

- 3.9 He stressed that it is important to have targeted measures regarding the recruitment and retention difficulties. He explained that not everyone had wanted to take part in an exit interview, especially the telephone surveys. It would also be very resource intensive if every leaver was interviewed. It is also felt that in areas where there is a low level of turnover it may not be necessary to have them, although trends would still be monitored. It is also healthy to have some turnover of staff.

- 3.10 Carole Grimwood informed the committee that Local Government in general is no longer sponsoring social worker students and as a consequence we are not managing to recruit as many social workers. We have tried a national advertising campaign and have looked at the possibility of employing staff from overseas. The Social Services team has also been specifically looking at retention of staff.

- 3.11 • The Select Committee commended the Action Plan.

- 3.12 • Members were keen to ensure that the long-term actions were carried out and were particularly interested in areas concerning training and development and job enrichment.

- 3.13 • Concern was also raised over situations where there are few suitable candidates. It is felt that it is important that that person appointed gets the support and help that they need to do the job.

- 3.14 • Some members felt that big advertising campaigns could be self-defeating and perhaps we should be focusing on smaller areas such as Universities and colleges.

- 3.15 • The financial implications were queried and it was confirmed that there was no budgetary provision for any new measures in 2001/02 and that each initiative would need to be considered on its merits.

- 3.16 • It was asked with regard to section 3.3 Providing Access to Affordable Housing whether the district councils and housing authorities had been contacted.

Carole Grimwood explained that if our Phase 1 bid is successful we will be entitled to make a Phase 2 bid. Final decisions about grant allocations will be made at the end of June 2001. She informed the Select Committee that we have to get approval from the Housing Authorities for any schemes. We are also working in partnership with the police and Three Rivers District Council.

- 3.17 It was suggested and agreed that a short life working panel of 5 members (3:2) be set up after the May elections to look at all the issues raised and to report back to the November 2001 Select Committee meeting.

- 3.18 The names of members (and two substitutes) to be appointed by the County Secretary following notification by Group Spokesmen.

S A Cole

#### 4 SINGLE STATUS

[Officer contact: Gillian Hibberd 01992 556653]

- 4.1 • It was queried whether the cost of HAY job evaluation of manual workers in schools would have to be met by the schools.

Alan Warner confirmed that schools have been made aware of the exercise by the Education Service and that the cost will fall to them.

- 4.2 Following discussion it was agreed that the Select Committee would decide whether to scrutinise this item after November 2001 when the Manual Job Evaluation Programme had been completed.

A Warner  
G Hibberd  
S A Cole

#### 5 PLANNING OBLIGATIONS

[Officer contact: Jan Kinsman 01992 556512]

- 5.1 Tribute was paid to the officer work done with regard to planning obligations.

- 5.2 It was noted that planning obligations arise in response to the specific circumstances of particular development proposals.

- 5.3 R H Smith explained that he had been involved with planning obligations at district council level and informed the Select Committee of two reports that would be helpful with regard to scrutiny of this item: The report on

development proposed at Hatfield Aerodrome submitted to the Welwyn Hatfield Planning Control Board on the 8 March and The District Audit's report August 2000. In the case of Hatfield Aerodrome, he noted that £14.4 million of the £16 million total value of financial contributions relates to the County Council.

He also suggested that reports from other district councils are obtained.

- 5.4 Concern was raised over the difficulties, costs and sensitivity of comparative information and the best way to scrutinise.
- 5.5 After discussion it was agreed to establish a short life working group of 5 members (3:2) to scrutinise the work already done on planning obligations and to report back to the November 2001 Select Committee.
- 5.6 The names of members (and two substitutes) to be appointed by the County Secretary following notification by Group Spokesmen.

S A Cole

## 6 INVESTMENT PANEL

[Officer contact: Jill Laycock 01992 555388]

- 6.1 The Select Committee commended the report and the work of the Panel
- 6.2
- It was queried whether the Panel had considered holding ad-hoc meeting in light of events such as the recent stockmarket crash.

Chris Sweeney explained that the Panel looks at an investment strategy based on actuarial advice concerning long-term funds and investments and that it was difficult to see how an ad-hoc meeting would be useful. Stockmarket crashes do unfortunately occur from time to time and there was no record of ad-hoc meetings being held in Hertfordshire in response to those crashes.

- 6.3
- It was asked what effect has the Myners Report had?

Chris Sweeney explained that it is early days yet and in its current form the report has not been written with regard to Local Government Pensions specifically. If some of the proposals are eventually aimed at our funds new regulations or legislation would be required and there would be consultation. There are issues around minimum funding requirements and guaranteeing pensions if an organisation fails, but the Local Government Pension Scheme is already quite tight in those areas.

- 6.4
- It was queried why the executive member report was not on the agenda as requested by the Group Spokesmen.

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David Lloyd confirmed that the panel report was part of the reporting process of the panels to the Select Committee and the Executive Member reports would start after the Local Government elections.

**Andrew Laycock**  
**County Secretary**

