

**COUNTY COUNCIL – 12TH DECEMBER 2017
WRITTEN QUESTION UNDER COUNCIL PROCEDURE RULE 9.2**

Question from Councillor Graham Wilson

The LGSS Joint Committee papers for 24 November contain these statements in reports by independent consultants:

- *External audit report 2016/17* by KPMG page 11 – “In our view the current reporting process in place is not sufficiently robust for an organisation the size of LGSS ...”
- *LGSS ERP Gold [the new major computer system] implementation* review by Agilisys – “ LGSS do not currently have robust enough plans as yet, that identify whether or not the programme could go live in April 2018, with a sufficiently high degree of certainty”. Another report, page 36 of the LGSS papers, states the system is currently running a year late and is forecast to be £1.275m overspent (increasing the cost from £7.138m to £8.709m).

Does the Leader share my concern at the findings of these reports and in particular the increasing cost of the ERP Gold system? What are the implications for Cambridgeshire and what actions is he taking to ensure the LGSS accounts meet good accounting and reporting practices and the county uses a modern, robust and fully integrated business system as soon as possible?

**Response from Councillor Steve Count
Leader of the Council and Chairman of General Purposes Committee**

The LGSS accounts do present a true and fair view of the financial reporting and accounting practices of LGSS. This is demonstrated through the independent audit of the accounts by the external auditors, KPMG who are required to meet independence and objectivity requirements as defined in the Code of Audit Practice. The 2016/17 LGSS have been audited with an unqualified audit opinion.

Although LGSS has achieved this outcome, it is true that since LGSS has grown with Milton Keynes Council becoming a Partner from 1 April 2016, the accounting and financial reporting arrangements have become more complex and the volume of data required to compile the accounts has increased. Both issues mean that the way the accounts are prepared is not as easy as it could be and this is acknowledged by LGSS management in the response to the audit recommendations raised in the IAS260 report from KPMG (page 15).

The new ERP Gold system being implemented for the 1 April 2018 will be a major improvement that will help to simplify the LGSS accounts production process by using a single ERP solution. A more fundamental review of the accounting arrangements is underway in relation to this matter, optimising the use of the new ERP Gold system, for which draft proposals are in place. This is being led by the LGSS Director of Finance and the Head of

In respect of the £1.275m capital cost increase for ERP Gold, this project is a 3-way investment by CCC, NCC and MKC into developing a single, modern shared ERP system to replace existing, end-of-life ERP systems. The increase of £1.275m is a shared (3-way) cost increase with the CCC portion of it being £410K to April 2018. To help mitigate this £410k capital increase for CCC, LGSS has identified additional ERP Gold related revenue savings for CCC of £150Kpa as from 2020-21 giving a full payback within 5 years of this additional capital request of CCC.

One of the main recommendations of the Agilisys report was to strengthen the existing ERP Programme Management capacity, and LGSS Business Systems has since moved very quickly to recruit a very senior, highly experienced Programme Director. He started work at the end of November and was immediately asked to undertake a full review and challenge of the existing Programme Plan and its deliverability for an April 2018 go-live date. He has been actioned by the Joint Committee to report back (week commencing 11th December) on his view as to the viability of an April 2018 go-live date and the robustness of the plan. Early indications are that the plans still support a viable, sensible April 2018 go-live date, particularly given the recent very encouraging progress in data migration, and the subsequent user acceptance testing and payroll parallel running results.

It should also be noted that the original CCC/ NCC ERP Gold business case was planned and approved in July 2015, and based on replacing only the Oracle ERP systems of CCC and NCC by April 2017. However in April 2016 MKC joined LGSS and the ERP Gold project plan and its resources were consequently expanded to include the MKC SAP systems replacement requirements by April 2017. In addition to this extra complexity, several unavoidable and unforeseen business changes by councils, IT technical issues and the legacy data migration challenges, have all impacted on a ERP expanded project plans during 2016/17 resulting in the rescheduled go-live date of April 2018.

Question from Councillor Ian Manning

How many legal cases has the County Council lost in the last three years against families claiming it should fund SEN when the County Council contested this? What has been the total cost of legal bills in each year?

Response from Councillor Simon Bywater **Chairman of Children and Young People Policy and Service Committee**

The Local Authority (LA) has a duty to ensure suitable provision is available for pupils with SEN, and as such the LA would never go to Tribunal contesting whether we should fund SEN.

What we, the LA contest is funding provision over what is required to meet needs and thus unreasonable public expenditure (i.e. independent provision where needs can be met in maintained provision).

In relation to how many Tribunals have been lost where the Local Authority has been in dispute over the type/ level of SEN provision being sought for a particular child, e.g. independent placements, where the LA view is that needs can be met at maintained school or the level of therapy where our therapists do not agree the level of therapy being sought is required, these figures are presented below:

For the period 1 Sept 14 – 31 Aug 15:

No of registered appeals: 63
No of appeals settled prior to hearing/withdrawn: 46
No of appeals struck out: 7
No of appeals that went to hearing: 10
No of appeals won at hearing: 6
No of appeals lost at hearing: 4

From 1 Sept 2015 – 23 June 2016:

No of appeals registered: 51
No of appeals settled prior to hearing/withdrawn: 43
No of appeals struck out: 0
No of appeals that went to a hearing: 8
No of appeals won: 5
No appeals lost: 3

(June 2016 – change from Baker Small to LGSS)

From 23 June 2016 – 31st August 2017:

No of appeals registered: 51
No of appeals settled prior to hearing/withdrawn: 37
No of appeals struck out: 1
No of appeals that went to a hearing: 13
No of appeals won: 6
No appeals lost: 7

What has been the total cost of legal bills in each year?

2014-15 £120,000
2015-16 £120,000
2016-17 £73,567

Question from Councillor Ian Manning

As of writing how many minor highways schemes (ie those funded in whole or part by the Local Highways Initiative or Third Party Funded) has CCC not received payment for yet? How many have been completed? Please break this down by the year of submission of the scheme and include data for at least the last three years.

Response from Councillor Mathew Shuter

Chairman of Highways and Community Infrastructure Policy and Service Committee

Thank you Cllr Manning for this question. The figures you have requested are as follows:

Financial Year 2014/15

Private/Third Party Works - 13 submissions complete & payment received.
Local Highway Improvements - 77 submissions complete & payment received.

Financial Year 2015/16

Private/Third Party Works - 12 submissions complete & payment received
Local Highway Improvements - 61 submissions complete & payment received with the exception of one that remains unpaid [£420.81] and the Council has instigated the debt recovery process.

Financial Year 2016/17

Private/Third Party Works - 11 submissions complete and payment received
Local Highway Improvements - 91 submissions complete and payment received for 51 with 38 pending payment or invoicing.

Question from Councillor Lorna Dupre

The number of people killed and seriously injured on Cambridgeshire's roads rose by one-third last year, according to figures presented to the Fire Authority Overview & Scrutiny Committee in October. How likely is it that the local Road Safety Partnership will achieve its targets of reducing by 40 per cent by 2020 the number of people killed and seriously injured on our roads compared to the 2005-2009 baseline? What is the council's strategy for achieving this reduction?

Response from Councillor Mathew Shuter

Chairman of Highways and Community Infrastructure Policy and Service Committee

Thank you Cllr Dupre for this question. The Council has always and continues to take road safety seriously and has seen significant reductions in both killed and seriously injured and slight accident measures over the last ten years.

In terms specifically of Killed and seriously injured, there have been increases in numbers in both 2016 and 2017 and officers are looking in detail at the causes of this to identify if it is the start of a trend.

It is known that part of the cause of this is the introduction of a new reporting system for accidents operated by the police. The Department for Transport (DfT) has estimated that this is responsible over the country for between a 5% and 15% increase in the number of casualties recorded as seriously injured. However, as the number of casualties in Cambridgeshire has increased by more than the DfT estimate it is likely that there are other factors at work. The most likely of these is the growing economy and growing population which increases the amount of miles travelled and thus the potential for accidents.

The Cambridgeshire and Peterborough Road Safety Partnership has set a target to reduce the number of KSI casualties to no more than 314 by 2020. This was based on the old method of recording accidents and so some further work needs to be done to assess this target under the new system of recording, so at this stage, it is not possible to say definitively whether this target will be met or not. Further information will become available over the coming months as the trends are more clearly understood. Whatever the outcome though, the Council will continue to work with partners to reduce casualties on the county's roads including:

- Targeted road safety engineering measures;
- Continued training from primary age upwards to instill good driving practice;

- In partnership with Addenbrooke's Charitable Trust and Loughborough University, undertaking a £150k grant funded research project exploring the most severe collisions on our network that cause major trauma, and looking to pilot interventions to reduce these.
- Trialling a more preventative approach to road infrastructure interventions by examining the potential and actual risk of longer routes. This has seen a successful £1.3m bid to the Department for Transport's Safer Roads Fund for a section of the A1303 towards Newmarket.
- Reviewing the analysis of road casualties through the introduction of new software and a move to more risk-based analysis methods.

Every death and life changing injury on Cambridgeshire and Peterborough's roads or to a Cambridgeshire or Peterborough resident is one too many, and the social and economic burden of road casualties is felt much wider than just those immediately involved in the collision. Councillors can be assured that the Council's officers take this very seriously and are working hard to ensure the most effective use is made of the limited resources available.

Question from Councillor Claire Richards

The document titled 'Organisational Review' nominates a proposed saving in the Corporate and Managed Services budget of £800,000 for the 2018-2019 year.

- (1) Will the proposed saving affect staff in all areas of the County Council and if so, how – for example:
 - a Will staff numbers be cut?
 - b Will there be redundancies?
 - c Will there be reduction in hours so that staff wages and salaries are cut?
- (2) What written and oral information was given to Policy and Service Committees of the impact of the proposed £800,000 cut on County Council's staff conditions of service?
- (3) What steps were taken to ensure that all Committee members had information by which they could be clearly, concisely and precisely informed as to the impact of the proposed £800,000 cut on staff conditions?

Response from Councillor Steve Count

Leader of the Council and Chairman of General Purposes Committee

Our staff are very important to us and are at the heart of the provision of the services we provide to our communities. However we have a responsibility to ensure those services are provided as cost effectively as possible. We therefore continue to review our staffing structures, our employee packages, and the performance of our staffing resource. This proposal is simply the continuation of a process that we have been undertaking over a number of years. This has driven out significant financial savings that have been re-invested in the delivery of front line services to the communities that we serve.

This overarching proposal involves a review of organisational arrangements in a range of areas with a total estimated saving of £800k for 2018/19. A number of areas are being explored:

- Through a programme of Outcome Focused Reviews, we will ensure that all services are appropriately staffed for service delivery and are as lean as they can be.
- A review of spans of control is underway to reduce any unnecessary layers of management and to ensure that all managers have appropriate and consistent areas of responsibility.
- Terms & Conditions is an area that may have to be considered in future but the impact of this would be carefully considered.
- We will support managers to reduce team spend on mileage and increase productivity through better use of remote and flexible working systems and policies.

Any specific proposals that emerge from these areas of exploration that affect staff will be taken through the usual processes of consultation with Trade Unions and staff and will be reported to the relevant committee.

Question from Councillor Jocelynn Scutt

The ever-decreasing Revenue Grant has led, amongst other consequences, to Cambridgeshire, Peterborough and Northamptonshire/Milton Keynes (LGSS) sharing and integrating services and functions. This has resulted in 'flagship areas' (where monies are located) such as Pensions and Law being no longer in Cambridgeshire hands but administered from or based outside Cambridgeshire County Council and/or the region. This has a consequence of Cambridgeshire being effectively downgraded in comparison with Peterborough and Northamptonshire/Milton Keynes. Even if this is not the perception of Cambridgeshire County Council bureaucratic and/or political leaders, it is a view expressed by some residents, at least.

Therefore, please advise for the benefit of Full Council and Cambridgeshire residents and Council taxpayers:

- How the specific and general needs of Cambridgeshire Council tax payers are taken into account in these working together arrangements; and
- What steps are taken and what safeguards are built in to the structure and implementation of these arrangements,

to ensure that Cambridgeshire Council tax payers' specific and general needs are not 'lost' between serving the needs of Peterborough on the one hand, and Northamptonshire/Milton Keynes (LGSS) on the other.

Response from Councillor Steve Count

Leader of the Council and Chairman of General Purposes Committee

LGSS is a shared service between Cambridgeshire, Northamptonshire and Milton Keynes council's. LGSS provide none of the Council's front line and therefore are not directly visible to the residents that we serve. Although we are proud of the success of LGSS which is recognised nationally, we are not the only pioneers in developing shared service solutions to drive out efficiencies in the delivery of back office functions. Every district council in this county has shared services operating across their geographic boundaries to some degree. I am pretty sure that the majority of local authorities across the country have some form of shared service delivery model.

Functions provided by LGSS include:

Payroll
HR
I.T
Accounts Payable
Procurement
Law
And Democratic Services

All of the LGSS services that need to have regular contact with front line services continue to be provided from within the county and within Cambridge in particular. HR, Professional Finance, I.T, Law, Democratic Services all continue to be provided from this site. Some more integrated services are provided across the region. It is difficult to envisage that it is more important to the residents of Wisbech that our payroll is operated from Cambridge, rather than as cost effectively as possible.

With regards to the question of how the specific and general needs of Cambridgeshire County Council tax payers are taken into account in these working together arrangements; the cost of the back office services has reduced by nearly 40% in the 7 years of LGSS operations. Previous decisions made to progress in our relationship with LGSS have resulted in nearly £6m that this Council has been able to re-invest in front line services to our communities. Should any one wish to reverse that position, £6m of front line services would need to be cut in order to have slightly more direct control over the Council's support services.

With regards to the question of steps are taken and what safeguards are built in to the structure and implementation of these arrangements, the governance of LGSS is clear and set out in the Constitution. A Joint Committee of the three core authorities provides the governance on behalf of this Council. It would be helpful for Councillor Scutt to identify what in particular she feels is ineffective with these arrangements. Has she actually raised any concerns with the Council's representatives? In addition a Scrutiny Committee has also been established to bring challenge and to hold the executive to account on matters of operational and financial delivery.

The relationship with Peterborough is in its relative infancy. A number of senior management roles now operate across the two authorities including the Chief Executive, the Director of Public Health, and the Executive Director of People and Communities. This sharing of staff is again driven by our approach to reduce the cost of management overheads in order to maximise the resources available to support front line service delivery. All the management positions that are shared between ourselves and Peterborough operate equally from both Cambridge and Peterborough. I am therefore at a loss to understand where this perception that Cambridgeshire is being downgraded is derived. We make no apology for being the party that seeks to maximise efficiencies and minimise overheads.

I seriously hope that with the aid of these explanations that help plug gaps in actual knowledge or in artificially perceived differences, Councillor Scutt can agree with us that our residents want us to spend fewer resources on back office services and senior managers rather than cutting the provision of front line service delivery.