

Scrutiny Reports

Capital Strategy Customer Experience Performance Management for Cabinet - Wednesday 12 February 2020

7. Scrutiny Committee Reports (Pages 3 - 20)

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To: Cabinet
Date: 12 February 2020
Report of: Finance Panel (Panel of the Scrutiny Committee)
Title of Report: Capital Strategy 2020/21 to 2024/25

Summary and recommendations	
Purpose of report:	To present Finance Panel recommendations concerning the Capital Strategy
Key decision:	Yes
Scrutiny Lead Member:	Councillor James Fry, Chair of the Finance Panel
Cabinet Member:	Councillor Ed Turner, Cabinet Member for Finance and Asset Management
Corporate Priority:	An Efficient and Effective Council
Policy Framework:	The Capital Strategy is a Policy Framework document
Recommendation: That Cabinet states whether it agrees or disagrees with the two recommendations in the body of this report.	

Appendices
None

Introduction and overview

1. At its meeting on 30 January 2020, the Finance Panel considered a report to Cabinet and Council on the Capital Strategy for 2020/21 to 2024/25.
2. The Panel would like to thank Nigel Kennedy, Head of Financial Services, and Anna Winship, Management Accountancy Manager, for attending the meeting, presenting the report and answering questions.

Summary

3. In introducing the report the Head of Financial Services explained that there was a new obligation in the latest CiPFA guidance for councils to adopt a Capital Strategy annually but that this was already the Council's established practice. He also provided an overview of the Council's relatively new approach to capital

project management; the Capital Gateway process. Projects will be presented to members for inclusion in the draft capital programme (for final approval by Council each February) only once they have been approved by an officer board at the outline business case stage.

4. The Management Accountancy Manager explained the arrangements for monitoring the delivery of the capital programme. The Panel heard that members can expect to see greater detail about the delivery of the capital programme, as well as information about the use of money budgeted for feasibility studies, in the quarterly integrated performance reports that are presented to Finance Panel and Cabinet.

Depot rationalisation project

5. The Panel questioned the status of loans to the Council's companies and joint ventures and requested an update on the rationalisation project for the depots occupied by Oxford Direct Services (ODS), for which a £13m budget had been agreed in the Council's capital programme. The Panel heard that the Council has engaged consultants and that a report was expected to progress to Cabinet in the summer. The Panel noted that any future decision on the depot rationalisation project should be informed by appropriate consultation with the ODS workforce, elected members and residents, not least because such consultation may be a requirement under the Duty of Best Value.

Recommendation 1: That the Council consults with the ODS workforce, elected members and the public on any future proposal for depot rationalisation.

Commercial property investment strategy

6. The Panel welcomed the inclusion in the Capital Strategy of the Council's recently agreed strategy for commercial property investments. The Panel considered whether the wording in that section of the Strategy is potentially too restrictive in regards to energy efficiency standards (Appendix A 13.6.6). It states that "*the Council will not purchase properties that are not compliant with the relevant energy efficiency standard*". The Panel felt that this wording may be too definitive as there may be opportunities to redevelop or retrofit such properties, with good returns from energy-efficient investments, recognising that energy efficiency is one of a number of factors that would need to be balanced in any purchasing decision.

Recommendation 2: That clarity is provided in the Capital Strategy that when properties are assessed for potential purchase consideration will be given to any opportunities to redevelop or retrofit properties that are not compliant with the relevant energy efficiency standard.

Further Consideration

7. The Panel agreed that any future Cabinet decision on depot rationalisation should be subject to pre-decision scrutiny.

8. Finance Panel will continue to consider the Capital Strategy annually. It is a Policy Framework document, and therefore consideration by Scrutiny is a requirement of the Council's Constitution.
9. Finance Panel will also continue to consider the quarterly integrated performance reports before they are presented to Cabinet. The delivery of the capital programme and the use of the feasibility budget will naturally form part of those deliberations.

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Cabinet response to recommendations of the Finance Panel (Panel of the Scrutiny Committee) made on 29/01/2020 concerning the Capital Strategy 2020/21 to 2024/25

Provided by the Deputy Leader and Cabinet Member for Finance and Asset Management, Councillor Ed Turner

Recommendation	Agree?	Comment
<p>1) That the Council consults with the ODS workforce, elected members and the public on any future proposal for depot rationalisation.</p>	Yes	<p>This will be carried out by Oxford Direct Services as part of the business plan, as a deliverable criteria in the evaluation and consultation with staff.</p> <p>The development of the ODS New Depot delivery plan is being carried out by ODS and it will be incumbent upon ODS to carry out consultation with workforce, residents, public, and elected members.</p>
<p>2) That clarity is provided in the Capital Strategy that when properties are assessed for potential purchase consideration will be given to any opportunities to redevelop or retrofit properties that are not compliant with the relevant energy efficiency standard.</p>	Yes	<p>Properties for purchase will be assessed against investment criteria, which includes compliance with the relevant energy efficiency standard. Where there is non compliance, the cost of bringing up to the required standard will be factored into the bid price.</p>

9

To: Cabinet
Date: 12 February 2020
Report of: Scrutiny Committee
Title of Report: Customer Experience Strategy

Summary and recommendations	
Purpose of report:	To present Scrutiny Committee recommendations concerning the Customer Experience Strategy
Key decision:	No
Scrutiny Lead Member:	Councillor Andrew Gant, Chair of the Scrutiny Committee
Cabinet Member:	Councillor Nigel Chapman, Cabinet Member for Safer Communities and Customer Focused Services
Corporate Priority:	An Efficient and Effective Council
Policy Framework:	Corporate Plan 2016-2020
Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendations in the body of this report.	

Appendices
None

Introduction and overview

1. At its meeting on 04 February 2020, the Scrutiny Committee considered a report concerning the proposed Customer Experience Strategy and Action Plan 2019 - 22.
2. The Panel would like to thank Councillor Nigel Chapman, Cabinet Member for Safer Communities and Customer Focused Services, for presenting the report and answering questions. The Committee would also like to thank Helen Bishop,

Head of Business Improvement, for compiling the report and supporting the meeting.

Summary and recommendation

3. Councillor Nigel Chapman, Cabinet Member for Safer Communities and Customer Focussed Services, introduced the report. People increasingly expected higher standards of customer engagement in both the public and private sector. The proposals in this report would contribute to meeting that expectation. Customer feedback showed that face to face engagement with Council staff was rated very highly. Digital engagement, however, was rated very poorly by comparison. The proposals sought to address that weakness in particular. The enhanced digital offer would not replace but run in parallel with existing services. Digital services were, generally, more economical to provide than face to face, and in encouraging people to adopt this means of engagement through better provision resources would be available to support the needs of those whose needs were unsuited to online channels of engagement. The Council continued to invest in significant improvements to the technological infrastructure, necessary to support the strategy. The Strategy was complemented by a robust action plan.
4. Helen Bishop, Head of Business Improvement, drew attention to the considerable consultation which had contributed to the development of the strategy, as outlined in the report.
5. In response to the report presented the Committee focused its questions along a number of key themes:
 - The diversity of the Council's customers
 - Opportunities for wider engagement
 - Maintaining person-centredness within a technologically driven stream of work
6. The Committee makes five recommendations.

Customer Diversity

7. One area on which the Committee sought further information was on who the strategy's outputs were intended to impact; who is the customer? The Council engages with residents and visitors in multiple ways and on multiple levels, from participation at Council meetings and committees, to grant recipients to people seeking to register to pay their council tax. Indeed, it is possible that the same individual can engage with the Council under a multiple customer guises; a Council tenant paying rent, invoicing the Council as a small business provider and writing to their ward members to complain about litter would have three different engagements with three different areas of the Council, via three

different methods of communication, and may well have three different experiences in the same day.

8. The Committee noted the high level of satisfaction reported in feedback from face to face and telephone interactions with the Council (98% and 92% respectively). However, on the basis of the multiple opportunities for different types of engagement with the Council it was suggested that within the overall high quality of service provided there was nevertheless the opportunity for pockets of less positive service to be overlooked without greater granularity of customer satisfaction data. Anecdotal comments suggested that the Council's service to business customers may not be as high as to individuals, but due to numerical imbalance between the two groups it would not be possible to tell from the overall levels of satisfaction.
9. It is recognised that the Council's strategy to improve its digital offer, particularly its website, will be of benefit to all customers. However, it is also felt that identifying the variety of areas of engagement, the different outcomes that customers of each type want, and targeting particular dissatisfaction hotspots is an area of work which should also be undertaken in parallel.

Recommendation 1: That the Council gives consideration to the variety of customer-groups the Council engages with, their specific needs and desired outcomes from their engagement, and the Council's current performance in delivering those outcomes in the delivery and prioritisation of work within this strategy.

10. In response to questioning over what the KPIs of the Customer Experience Strategy were, it was reported that the key indicators for success would be through ensuring the realisation of the savings enabled by greater digital engagement, increased customer satisfaction with the website and overall, and a greater proportion of people using the website.
11. It was recognised by the Committee that the Council now has, via its wholly-owned companies, a further cohort of customers at one remove. Aside from the benefits of cost-reduction and customer-service improvement anticipated by the Council in its exercise, as trading entities within competitive market places (particularly for Oxford Direct Services), improved customer experience would be anticipated to ensure repeat business, supporting profits and ultimately contributing to the Council's services through dividend payments. As such, a similar exercise to ensure the Council's companies realise the benefits of improving customer experience and efficiency of customer management is encouraged.

Recommendation 2: That the Council as shareholder ensures that a similar customer experience and service improvement exercise is undertaken in its wholly-owned companies, particularly Oxford Direct Services.

Wider Engagement

12. The Committee considered the number of annual interactions by the Council and presented within the report – 6.42m unique web visits, 1.87m individual page views, 209,000 telephone calls and 28,000 face to face visits. These numbers were considered specifically in light of the number of people attending Council or committee meetings, engaging in consultations, or service design.
13. It was suggested that the numbers show that there exists a very significant pool of people engaged with the Council in a transactional way, but the numbers tail off to very little between transacting with the Council and engaging with it in its ongoing democratic function.
14. With intelligent targeting, asking customers at the time of engagement to feed back their views on other issues, it was suggested that it may be possible to translate the willingness of residents to engage in one way to engaging in another. Successful translation of even a small proportion of those people engaging with the Council as customers could have a transformative impact on the level of democratic engagement and communication with its citizens. In light of this opportunity, therefore, it is felt that future iterations of the strategy should seek to include consideration of ways in which transactional engagements can be translated into increased democratic engagement.

Recommendation 3: That in future iterations of the strategy, the Council looks at future opportunities to increase democratic engagement.

15. Whilst naturally raising questions about the way the Council engages with those in the City, it was recognised by the Committee that the Customer Experience Strategy is a strategy with a specific remit of cost-reduction and customer service improvement. It would be unreasonable to expect that it could address the multiplicity of issues relating to the way the Council engages its citizens.
16. It is felt, however, that whilst the Council has shown innovation and commitment to engaging with those it seeks to serve, for example the establishment of the Lived Experience Advisory Forum for homelessness prevention and holding the first Citizens' Assembly on Climate Change in the country, it should strive to build on what it has achieved. The complexity of doing so, with the number of people engaging with the Council in such a number of ways, means that a corporate-level response is required, and a strategy is required to scope and inform that response.

Recommendation 4: That the Council develops a citizen engagement strategy to raise the level of engagement across all elements of its interface with the public.

Retaining People-Centredness

17. An area of particular discussion concerned the flip side of the Council's ambition to encourage people to move to cheaper, digital means of engagement: freeing up resources to support those for whom digital engagement is not suitable. An underlying thread of the discussion was the importance of ensuring that, in a largely technology-driven strategy, the second, human element not be overlooked.
18. Discussion was held over the variety of reasons why digital engagement with the Council might not be the most appropriate form in their circumstances. Age, disability and language were referenced as reasons for some people. However, it was noted that a more important determinant of suitability for digital engagement was its level of simplicity or routineness. Routine transactions, such as the payment of council tax, were identified to be positive areas for digitisation and automation. An intractable and complex benefits query involving multiple parties required human input and could not be handled well even via e mail. Interestingly, this was reported to be borne out by the preference of customers themselves; analysis of the types of transactions dealt with over the phone and face to face in the contact centre shows the more complex issues are dealt with face to face and more routine one undertaken over the phone.
19. In light of the recognition that improved digital provision could not be the exclusive response to the challenge of improving customer experience, the Committee was pleased to hear that the Council is already helping to provide services for people for whom digital services are less appropriate. For example, in Blackbird Leys officers were being empowered with the technology and access to information to provide a one-stop shop service, allowing cross-service problems to be resolved by one individual.
20. It was suggested that the fact that reference to these important person-centred practices and holistic approaches to managing customer problems were not made within the substantive Cabinet report was an illustration of the potential danger that exists if improved non-digital provision is not constantly reinforced as a core element within the digitally-focused strategy.
21. A specific recommendation was made in relation to the Home Improvement Agency, that work be undertaken to ensure there is greater awareness of the service amongst non-Council professionals. There is currently a particular opportunity for this to be implemented effectively with GP groups within Oxford forming five Primary Care Networks, each appointing a social prescribing link coordinator. The role of the social prescribing link coordinator is to collate and disseminate information on and social prescribing and increase its uptake. It is possible that once the social prescribing link coordinators are in post there will be opportunities and fora which bring together link coordinators and social prescribing providers, creating further opportunity for awareness raising and joint-working.

Recommendation 5: That the Council engages with GP surgeries through their social prescriber link coordinator and any other social prescriber fora to promote the availability of the HIA and other relevant services.

Further Consideration

22. It is anticipated that there will be continued interest in the work and wider issues that the Customer Experience Strategy touches on. The likely opportunities for further consideration will be, should Council decide to adopt one, at the draft of Citizen Engagement Strategy, as well as possibly in a year's time when the impacts and trends arising from the Customer Experience Strategy will be more apparent. However, neither option has been agreed to by the Committee.

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Cabinet response to recommendations of the Scrutiny Committee made on 04/02/2020 concerning the Customer Experience Strategy and Action Plan report

Response provided by Cabinet Member for Safer Communities and Customer Focused Services, Councillor Nigel Chapman

13

Recommendation	Agree?	Comment
1) That the Council gives consideration to the variety of customer-groups the Council engages with, their specific needs and desired outcomes from their engagement, and the Council’s current performance in delivering those outcomes in the delivery and prioritisation of work within this strategy.	Yes	
2) That the Council as shareholder ensures that a similar customer experience and service improvement exercise is undertaken in its wholly-owned companies, particularly Oxford Direct Services.	Yes	ODS is undertaking a review of the commercial customer experience, focusing on how we measure and improve customer satisfaction, how we identify and manage new customer expectation, and how we capture customer value beyond the obvious financial transactions. This will be reported back to the ODS Board and Shareholder in the coming months
3) That in future iterations of the strategy, the Council looks at future opportunities to increase democratic engagement.	Yes	
4) That the Council develops a citizen engagement strategy to raise the level of engagement across all elements of its interface with the public.	Partial	The Council did previously have a Community Engagement Policy which expired in 2017. Scrutiny has requested a paper on “Public participation in decision making and citizen involvement” for their April 2020 meeting: ‘To consider how the public could be better engaged with council decision making, such as through public meetings, consultations and other public forums, for example’. The Council is in agreement with the broad

Date of Cabinet Meeting: 12.02.20

		recommendation, but considers that more targeted recommendations and responses may be made following Scrutiny's report on Citizen Engagement in April and suggests a delay until after this report has been presented may be a more effective way of sequencing this work..
5) That the Council engages with GP surgeries through their social prescriber link coordinator and any other social prescriber fora to promote the availability of the HIA and other relevant services.	Yes	<p>The Council is already undertaking this, specifically through participating in</p> <ol style="list-style-type: none"> 1. Health work streams such as the Health Improvement Board Sub groups, and working with Locality Officers, Prevention Champions, and all of the Physical activity work programm and are currently giving consideration to how we use these links to support the development and prioritisation of services within our priority areas. 2. The primary care network working group, which includes the newly appointed social prescribers and will involve attending the social prescribing Workshop with all the new social prescriber staff lead by Public Health

To: Cabinet
Date: 12 February 2020
Report of: Scrutiny Committee
Title of Report: Performance Monitoring Q2

Summary and recommendations	
Purpose of report:	To present Scrutiny Committee recommendations concerning Performance Monitoring Q2
Key decision:	No
Scrutiny Lead Member:	Councillor Andrew Gant, Chair of the Scrutiny Committee
Cabinet Member:	Councillor Ed Turner, Deputy Leader and Cabinet Member for Finance and Asset Management
Corporate Priority:	An Efficient and Effective Council
Policy Framework:	None
Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendations in the body of this report.	

Appendices
None

Introduction and overview

1. At its meeting on 14 January 2020, the Scrutiny Committee considered the report concerning Performance Monitoring Q2. The report contains a selection of the corporate and service specific performance indicators measured by the Council that the Committee has chosen to track during the year.
2. At its meeting on 17 December 2019 the Scrutiny Committee confirmed a previous decision to appoint Councillor James Fry as the Committee's lead on

performance monitoring. Accordingly, Councillor Fry met the lead officer, Helen Bishop, Head of Business Improvement, on 08 January 2020 to speak through specific issues.

3. Following discussion between the two, a submission was sent by Councillor James Fry to the Scrutiny meeting on 14 January 2020 and was considered alongside the original report.

Summary

4. Due to the majority of discussion underpinning the recommendations having taken place prior to the meeting, this report mainly lists the Scrutiny Committee's recommendations on performance monitoring without significant commentary.
5. The Committee makes six recommendations.

Recommendations

6. The Council currently measures via measure BI001 the amount of money spent with local businesses. However, this figure includes the Council's own businesses. Whilst the Committee recognises the contribution of its own businesses to the local economy, it seeks greater visibility on the Council's impacts and the trends of its spending towards non-Council owned local businesses.

Recommendation 1: That the Council adds an additional indicator: percentage of total spend on non Council-owned local businesses

7. The wording of indicator ED002 'Implementation of measures to reduce the City Council's carbon footprint by 5% each year' is considered to give a misleading impression: that the reduction is an absolute reduction rather than a projected future emission level. This is a situation under which it is possible for the indicator to show a reduction whilst the Council's absolute carbon emissions grow. It is recommended that is clarified.

Recommendation 2: That the Council amends the wording of indicator ED002 (Implementation of measures to reduce the City Council's carbon footprint by 5% each year) by adding 'below what it would otherwise have been' afterwards

8. The Council has undertaken to ensure that it becomes carbon neutral by the end of 2020. This is achieved largely through the greening of its energy supplies. However, it is also reliant on offsetting to mitigate the effects of vehicles and those of its companies. Given its investment in fleet electrification it is anticipated that absolute carbon emissions will fall, but it is important that this is measured and tracked to ensure that the expected reductions are being realised.

Recommendation 3: That the Council adds an additional annual indicator: total carbon footprint (excluding the impact of offsetting measures and including the Council's companies)

9. One of the key areas of complaints regarding the Council's leisure centres is the length of time for repairs to be undertaken, so it is considered that this is a good proxy for overall customer service levels. However, it is recognised that such a measure could induce changes in reporting to adapt to the monitoring requirements without changing underlying behaviour and customer experience, rendering the indicator misleading. The complexities of how this problem might best be managed are referred back to the relevant officers and Cabinet portfolio holder for consideration.

Recommendation 4: That the Council devises an indicator to show the length of time taken between leisure centre repairs being reported and their completion

10. The Welfare Reform Team is responsible for the delivery of the work measured by indicator WR001 (Number of people moved into work by the Welfare Reform Programme). It is recognised that this team has had significant staffing challenges, which have led it to underperform on the Council's aspirations for moving people into work. This underperformance and its reasons are an established and recognised issue for the Council, which it is seeking to address. Operating in a difficult wider context, no matter how the team performs it will always be deemed to be underperforming the original benchmark, a fact which is already known to the Council. Reducing the target (but not forgetting the bigger issue of recruitment) would provide the Council greater granularity of information and inform trends within current performance much better.

Recommendation 5: That the target WR001 (Number of people moved into work by the Welfare Reform Programme) be reduced by 25%

11. Following discussions at the Finance Panel it has been agreed that the Council will report on capital spending made against the original capital expenditure budget, a measure designed to correct the distorting effects of positive variance arising from project slippage. It is requested that this same measure be reported to the Scrutiny Committee as part of its performance monitoring.

Recommendation 6: That the Council provides to Scrutiny an additional measure: capital expenditure in the year-to-date as a percentage of the start of year capital expenditure budget.

Further Consideration

12. The Committee considers its chosen performance monitoring indicators on a quarterly basis. It is anticipated that this will continue in the new civic year as a matter of good corporate governance and democratic oversight. Should the Cabinet wish, Scrutiny would be happy to contribute suggestions as to the indicators Cabinet may wish to monitor in the year ahead.

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Cabinet response to recommendations of the Scrutiny Committee made on 03/09/2019 concerning the Performance Monitoring Q2 report

A verbal update to provide any further comments will be provided by the Cabinet Member for Finance and Asset Management, Councillor Ed Turner

19

Recommendation	Agree?	Comment
1) That the Council adds an additional indicator: percentage of total spend on non Council-owned local businesses	Yes	
2) That the Council amends the wording of indicator ED002 (Implementation of measures to reduce the City Council's carbon footprint by 5% each year) by adding 'below what it would otherwise have been' afterwards	Yes	
3) That the Council adds an additional annual indicator: total carbon footprint (excluding the impact of offsetting measures and including the Council's companies)	No	
4) That the Council devises an indicator to show the length of time taken between leisure centre repairs being reported and their completion	TBC	
5) That the target WR001 (Number of people moved into work by the Welfare Reform Programme) be reduced by 25%	Yes	
6) That the Council provides to Scrutiny an additional measure: capital expenditure in the year-to-date as a percentage of the start of year capital expenditure budget.	Yes	

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