

**MINUTES OF A MEETING OF THE LEARNING, SKILLS AND ECONOMY SCRUTINY COMMITTEE HELD AT COUNCIL CHAMBER - COUNTY HALL, LLANDRINDOD WELLS, POWYS ON FRIDAY, 18 JANUARY 2019**

**PRESENT**

County Councillors P Roberts, D R Jones, G Breeze, K W Curry, B Davies, D O Evans, L George, E M Jones, D Jones-Poston, S McNicholas, D Selby and R Williams

In attendance:

K Thomas (Principal Librarian), V Hanly (Interim Professional Lead Commercial Services), T Simmons (Procurement Specialists), J Forsey (Senior Manager – Corporate Transport) and E Patterson (Scrutiny Officer)

<b>1. APOLOGIES</b>
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Apologies for absence were received from County Councillors M Barnes, S Davies, G Jones, K Lauren-Parry, J Pugh, L Roberts, E Roderick, G Thomas and Portfolio Holder P Davies (Highways, Recycling and Assets) and R Powell (Young People and Culture)

<b>2. DECLARATIONS OF INTEREST</b>
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No declarations of interest were received.

<b>3. DECLARATIONS OF PARTY WHIPS</b>
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No declarations of Party Whips were received.

<b>4. WELSH PUBLIC LIBRARY STANDARDS</b>
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**Documents:**

- Cabinet Report January 2019 'Welsh Public Library Standards report for 2017/18'
- Welsh Public Library Standards 2017-2020 – Powys
- Connected and Ambitious Libraries: The sixth quality framework of Welsh Public Library Standards 2017-2020
- Scrutiny Briefing – Welsh Public Library Standards

**Discussion:**

The Principal Librarian presented the Cabinet report covering the Welsh Public Library Standards report for 2017-18.

The Library Service was assessed under the first years of the Sixth Framework 'Connected and Ambitious Libraries'. The service met 11 of the 12 Core entitlements in full and partially met 1 Core Entitlement. Of the 16 Quality Indicators 10 have measures. The service met 5 in full, 1 in part and failed 4.

The period 2017-18 covered the time that the service was working with communities regarding alternative delivery models. This was also the time that the Library Service joined the all Wales Library Management Service which whilst this resulted in savings in the longer term did take two months to complete during which book purchase and supply requests could not be processed which impacted on the some of the standards.

*What is the service intending to do to meet the 4 Quality Indicators (QI) which were failed in the 2017-18 report?*

QI6 is 'User attendances at library events'. The service currently have grant funding to run Reading Aloud events for people with mild dementia or depression but because Powys has small communities the service does not restrict these events to people with mild dementia or depression. The service runs open and inclusive events and does not ask users to define themselves in terms of problems. The service is keen not to introduce stigma into event attendance.

QI9 is 'up to date and appropriate reading material' or acquisitions. The service has never met this measure. Spending would need to increase by around £100k to meet this measure. This measure was affected by the move to the Welsh Library Service Management System but the 2018-19 results should show a return to the usual levels Powys acquisitions. Powys aim to reach a 10% replenishment rate.

QI10 is 'Welsh language resources'. This measure is normally met and was also affected by the move to the Welsh Library Service Management System.

QI12 is 'supply of requests'. This was not met partly because of problems with the delivery van. A new delivery van has been supplied by fleet.

*Is the service speaking to Welsh Government to reword QI6 to encourage attendance at open and inclusive events?*

This subject has been raised with Welsh Government during the consultation regarding the Seventh Library Framework which is currently being developed.

*It is clear that some libraries are well used but also that the service faces tremendous challenges. How is the service working with Welsh Government regarding the standards in light of the financial challenges the authority faces?*

Powys in conjunction with other authorities across Wales are speaking with Welsh Government regarding the standards. There are some standards that no authority in Wales are meeting such as staffing and acquisitions.

*Do the standards take into account the geographical challenges faced by Powys?*

Not at present but this can be raised as part of the consultation ahead of the Seventh Framework.

*Does usage of the mobile libraries count towards the results and how are the mobile routes advertised?*

Usage of mobile libraries does contribute towards the results of number of visitors and number of borrowings. Users tend to access mobile libraries through word of mouth. If usage declines, then the service speak to the local council. Each stop has a designated person that the service will contact if the visit has been delayed or cancelled.

*Visits to libraries are declining. Is this happening at both static and mobile sites?*

There has been a trend of declining footfall as fewer people visit every Saturday morning. This mirrors a general trend of reduced footfall across town centres as people move to a greater reliance on internet shopping. A marked decline was noted when the opening times were cut by 20% during a previous period. A decline is also noted at solely volunteer run libraries where other Council services are unavailable.

*How are libraries advertised, do libraries work closely with schools to encourage school visits?*

Publicity is undertaken on a local basis together with working with schools. For example, in Llanfyllin an accelerated reading programme is operating where 90 High School Children visit the library on a weekly basis.

*What has been the impact on attendance of libraries which have become more community based?*

The amount of community activities undertaken in libraries varies area by area but for example in Knighton there has been a large growth with a literary festival organised that resulted in 3,000 visits.

*What risks to provision does a move to partnership working entail?*

The partnerships are fragile. Relationships take time to develop and change as people move on. There is less stability than when the service was run by the local authority.

*What is most pleasing and what are you most concerned about?*

It is good that the satisfaction rates have remained generally high but the most concerning matter is the budget going forward and its potential impact on this indicator.

#### **Outcomes:**

- **That the Library Service impress upon Welsh Government:**
  - **the challenges experienced in a sparsely populated rural authority in meeting some of the quality indicators**
  - **that given the low incidence of individuals with special requirements it is difficult to monitor this indicator without introducing a degree of stigma upon those individuals as the only way to run such events in areas of sparse population is to advertise them as an inclusive event.**
- **That attention is focussed on those measures that were adversely affected by the move during 2017/18 to the Library Management System (acquisitions, supply of requests and Welsh medium resources) during this period.**
- **Scrutiny are aware that the service are reviewing library service provision at present and Members will be briefed on any proposals in the near future.**

<b>5. DIGRAPH TRANSPORT SUPPLIES</b>
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#### **Documents:**

- Scrutiny briefing 18<sup>th</sup> January 2018
- Scrutiny Committee A paper 14<sup>th</sup> December 2017

**Discussion:**

The Interim Professional Lead – Commercial Services gave a presentation on the Council's Vehicle Spare Parts contract with Digraph Transport Supplies.

The contract had started in April 2017 and scrutiny had been undertaken in December 2017 as local contractors had expressed disquiet.

The contract had been let following a National Procurement Service procurement process. This included a commitment to local sourcing to help the local economy. Prior to April 2017 no contract had been in place, the authority were not compliant with contract regulation and workshop staff were undertaking numerous journeys to pick up parts to get vehicles back on the road. It was extremely difficult to calculate spend as there was little management information available but it was estimated that local spend was around £80k which was lower than expected. However, when the contract was let local suppliers did express concern that they were losing business.

The information presented in December 2017 showed local spend at around 18%. It has since been found that this was slightly higher than the actual local spend.

During 2018 £528k was spent on the Digraph contract. It is estimated that the previous annual spend was approximately £500k although it has not been possible to verify this.

The Digraph contract has the following advantages:

- Imprest stock provided and managed by Digraph
- Stock reviewed by Digraph on a monthly basis and advice provided to workshops by Digraph
- Payment is now by Barclaycard All Wales Purchase card
- Improvement management information and overview of spend per vehicle

This year there have been 750 deliveries (including 426 to Brecon and 325 to Newtown). The contract allows for up to two deliveries a day to each depot thereby minimising the waiting time for parts that are not maintained within the imprest stock. Deliveries are rated and none have been rated 'poor'. The imprest stock is regularly adjusted to reflect usage.

The payment by Barclaycard has decreased the processing costs and provided much improved management information which will be available when the contract needs to be renewed.

During the last 12 months local spend has been approximately 13%. Not all spend could be spent locally (for example HGV parts cannot be sourced locally as there are no main dealers in the county). It is likely that no more than 25% could be spent locally as most local companies are motor factors and the service are looking to purchase original parts.

In addition to the local spend the contract includes a 2% rebate to be spent on community benefits. The Portfolio Holder has agreed to spend this year's rebate

supporting an apprenticeship. Digraph have also agreed to attend the Powys Careers Festival.

*What are the savings figures for 2018? What is the agreed discount rate and are you confident this is the best?*

When the contract was put out to tender companies were asked to quote on a basket of items which were compared to the workshop rates. It was found that Digraph was about 20% cheaper. Frequently purchased items are regularly added to the basket. The service are content that the contract is value for money (if an additional 20% was still being paid this would be in the region of and extra £100k) and value is being achieved in other ways such as workshop staff not having to pick up stock.

Officers are currently examining if it would be possible to use OEM (Original Equipment Manufacturer) substitutes to save money.

*Do to workshops undertake work for outside organisations?*

Some external work is undertaken for example Brecon Dial-A-Ride, Brecon Mountain Rescue, Ysgol Penmaes etc.

*Does the service restrict itself to certain vehicles when replacing fleet?*

When vehicles are procured the service does not specify a brand of vehicles but DAF are often chosen as they are cheaper and reliable and there are DAF dealers in Shrewsbury, Hereford, Cardiff and Swansea.

*Does the service specify genuine economy parts during repair and maintenance?*

This is left to the discretion of the Workshop Manager. If the vehicle is within the warranty period, then genuine parts are used. OEM parts are considered as are non OEM parts but it depends on the repair or maintenance required and the Workshop Managers are experts in this respect.

*Do workshops following the Book Pricing methodology that commercial operators use?*

This is not used at present but the service should be using this methodology to help measure productivity. A staff restructure is currently been consulted on with the intention to move to a more commercial approach including a shift system for 06.00 to 18.00 workshop operation.

*It appears historically that poor control was exercised in this area. Has it been necessary to take on extra staff to manage the contract?*

This has not been necessary as less resources are required now the service is only dealing with one contract.

*Have lessons been learnt from move to the Digraph contract?*

The authority is working with areas that have non-compliant spend to ensure compliance.

*There are clear benefits from entering into a national contract but to what extent does this result in the loss of local spend and is local spend more expensive?*

It can be difficult to get local companies to engage in a procurement process. The local sourcing agenda is about getting the right sized packages for local companies to be able to bid for. Local companies are beginning to come forward

but despite undertaking development (meet the buyer events, signposting to business support from Welsh Government etc) the response has been disappointing.

When the contract is rerun there will be an opportunity for local suppliers to work together.

Some staff expressed a view that Digraph was proving more expensive but mystery shopping has shown that this was not the case.

*What is the length of the contract and does it include uplift? The complaint is that national companies bid at a low level but have a high uplift which can result in goods costing more than local suppliers.*

The contract is for 2 plus 1 years (April 2017 to April 2019 or April 2020). There are two uplift figures – one for the basket of goods (high volume or high cost) and one for other goods. Digraph have not implemented the uplift and have advised that this will not be implemented for 12 months. The agreed rate of uplift will be shared with Members.

*It was noted that the reduction in costs of 20% has resulted in a squeeze on local suppliers. However, it appears to have encouraged them to improve efficiency which may enable them to compete more effectively in other areas of their business.*

*How much does Powys purchase through the National Procurement Service (NPS)?*

The Commissioning and Procurement Team try to ensure that as much as possible is procured through the NPS whilst ensuring that this does not discriminate against Powys companies. Lotting of contracts helps in ensuring that local companies have an opportunity to bid for work. The NPS have been reviewed and it may be that they withdraw from some contracts.

*Can Powys produce a forward programme of contracts that are coming up for renewal in the next three years?*

The NPS do produce a forward work programme but this may change in light of the review.

*Is it intended to take advantage of the 'plus one' so that this contract runs until April 2020?*

The 'plus one' will be used but it may not be with NPS. The additional time will be used to work on retendering and it will be necessary to ensure that this work is done suitably ahead of April 2020 with work starting by October 2019.

**Outcomes:**

- **That the uplift rates for the basket of items and other items be provided**
- **That the issue of workshop productivity is addressed with a commitment to introduce at the earliest opportunity book pricing to enable current productivity to be assessed against industry standards**
- **That the successor scrutiny committee be advised that this contract is coming up for renewal in April 2020 and that the service be asked to communicate their plans for retendering to the relevant committee**

**to allow for monitoring particularly in light of the uncertainty regarding the National Procurement Service and the potential need to draw lessons from the experience of retendering a service previously procured under the NPS process**

<b>6.</b>	<b>CHAIR'S BRIEFING</b>
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The Chair noted that this was the last planned meeting of the Learning, Skills and Economy Scrutiny Committee ahead of a Council decision on the future arrangements for scrutiny committees on 24<sup>th</sup> January 2019. He thanked Committee Members for the work that they had undertaken in this committee since May 2018.

<b>7.</b>	<b>WORK PROGRAMME</b>
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The next meeting of this committee (or successor committee) will take place on 11<sup>th</sup> February 2019.

**County Councillor P Roberts**