

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
14 FEBRUARY 2013

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held at Delyn Committee Room, County Hall, Mold CH7 6NA on Thursday, 14 February 2013

PRESENT: **Councillor C.S. Carver (Vice-Chairman in the Chair)**

Councillors Haydn Bateman, Marion Bateman, Peter Curtis, Ian Dunbar,
Ron Hampson, Patrick Heesom, Richard Lloyd, Paul Shotton, Ian Smith,
Nigel Steele-Mortimer and Arnold Woolley

SUBSTITUTES: Councillors Joe Johnson (for Trefor Howorth)

ALSO PRESENT:

Councillor V. Gay

APOLOGY:

Councillor Richard Jones

CONTRIBUTORS:

The Leader of the Council, Cabinet Member for Corporate Management, Chief Executive, Head of Finance and Operational Services Manager

Finance Manager - for minute number 75

Interim Manager – Finance Department and Benefits Manager – for minute number 76

Head of Human Resources and Organisational Development – for minute number 77

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

71. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

72. MINUTES

The minutes of the meeting of the Committee held on 17 January, 2013 had been circulated to Members with the agenda.

Accuracy

Councillor A. Woolley referred to the first paragraph under the bullet points on page 8 and suggested that the word 'part' should read 'party'.

Matters Arising

Councillor M. Bateman thanked officers for the answer that she had received to her question on the overspend of £0.044m in relation to additional superannuation costs. In response to a question from Councillor Bateman, the Head of Finance said that the cost was for people who had been granted

additional years. It was a variance on a budget as a result of the amount of payments going through. She added that she would provide more detail on the additional superannuation costs.

Councillor G.H. Bateman explained that he had received further information on the problems with the gas engines at landfill sites and asked for more details on the consequences of contamination. The Chief Executive responded that the equipment had been inherited by Flintshire County Council and the gas produced by the waste had reduced in quality.

Councillor A. Woolley said that he had not yet received an answer to his question on the update on the early introduction of P2P in Leisure Centres. The Chief Executive said that the original P2P roll-out plan scheduled a 'go live' date of September/October 2013 for Lifelong Learning but that the capacity to bring this forward for Leisure Services was being explored. The Member Engagement Manager advised that the answer had been provided in the information sent out to Members by email on 13 February 2013. Following a discussion, it was agreed that in future the information to Members would be sent to both their Flintshire County Council and private email addresses.

Councillor P.G. Heesom referred to the minute on Asset Management. He asked for assurance that vacating County Hall was not being considered as it was a central point for all council services. He also referred to an external Facilities Management service which he felt was critical and suggested that it was worthy of further discussion. In response the Chief Executive said that updates on Flintshire Futures were reported to Members and that even though there would be differing views on the use of County Hall, some services were being moved out to other council locations with others being brought in to make better use of the remaining space. He added that the design and future of the building was a major asset liability for the future.

The Member Engagement Manager reminded Members that they had agreed to have six monthly updates on the Flintshire Futures Workstreams.

Councillor Heesom welcomed the detailed set of minutes and asked that his thanks be passed on. The Member Engagement Manager confirmed that he would speak to Jane Davies, the Committee Officer who had prepared the minutes to let her know of the comments that had been made.

RESOLVED:

- (a) That the word 'part' be changed to 'party' in the first paragraph after the bullet points on page 8;
- (b) That subject to the suggested amendment, the minutes be approved as a correct record and signed by the Chairman; and
- (c) That the thanks of the Committee be passed on the Jane Davies, the Committee Officer, for the detailed set of minutes.

73. ADDITIONAL ITEM

The Chairman explained that a request had been received that an urgent item be included on the agenda for consideration as an additional, urgent item as provided for under Section 100 B (4) (b) of the Local Government Act 1972 (as amended). The report was considered as the first item.

74. PROPOSED REGIONAL EMERGENCY PLANNING SERVICE

The Chief Executive explained that the item was being considered at Cabinet on 19 February 2013. It was felt that it was appropriate that this Committee consider the report as it was within the Terms of Reference of the Committee. Copies of the report were circulated for Members and it was suggested that it be considered at the next meeting of the Committee on 14 March 2013 and that Cabinet be made aware of this at its meeting on 19 February 2013.

RESOLVED:

That the report on the Proposed Regional Emergency Planning Service be considered on the 14 March 2013 meeting of this Committee and that Cabinet be made aware of this at its meeting on 19 February 2013.

75. REVENUE BUDGET MONITORING 2012/13 MONTH 8

The Head of Finance introduced a report to provide Members with the Revenue Budget Monitoring 2012/13 (Month 8) report which was being submitted to Cabinet on 19 February 2013.

The projected year end underspend of £0.611m on the Council Fund was a significant improvement to the projected overspend of £0.516m reported at Month 7. The significant in-year projected variances to date were detailed in appendices 2 to 6 and the table in the report showed the changes from Month 7 to Month 8. The improving position of the Out of County Placements underspend was as a result of smarter procurement from the continued involvement of Commercial and Clinical solutions and reduced numbers of placements which had been influenced by the development of in-county provision from foster care and within special schools.

The Contingency Reserve projected at year end as a result of the projected underspend was £1.267m but it was being recommended to Cabinet that an allocation of £0.770m from the reserve be made in 2012/13 to make provision for the triggering of the Municipal Mutual Insurance (MMI) scheme of arrangements which was now needed in accordance with Accounts & Audit regulations. This would leave an estimated balance of £0.497m in the Contingency Reserve at 31 March 2013. The Head of Finance explained that a report on MMI was being submitted to Cabinet on 19 February 2013 and that she had copies available for Members if required.

The Chief Executive highlighted the underspend of Out of County Placements which was due to positive management of the placements as

identified by the Head of Finance. The issue was still reported as a risk as the effect of future placements was unknown.

Councillor P.G. Heesom expressed concern at the build up of underspends, which was a change in philosophy from the previous administration, and also at the carry forward request for Housing Services (Homelessness). Councillor N.R. Steele-Mortimer commented on the successful work undertaken on Out of County Placements which had resulted in the underspend. He asked whether the Chief Executive felt that the improved position meant that all of the needs could be catered for in-county. The Chief Executive responded that Out of County Placements was one of the most significant in year budget shifts and was partly due to investment in special schools, challenging the need to use placements not in county and working with those who provided the services to get a better deal. He spoke of the need to provide more regional solutions and more general longer term solutions but added that he was confident that the process had left the authority with a more manageable budget.

The Leader of the Council responded to the comments by Councillor Heesom and said that the current years budget had been set in March 2012 and had crossed two council administrations. It was important to protect core key services and the opportunity to use monies from the reserves for the MMI challenge would ensure that the authority was prepared should the payment need to be made. On the issue of Out of County Placements, he said that recognition had to be given for the work which had been undertaken which was welcomed. The carry forward for Homelessness was for the known cost for additional staff to provide additional resource to the existing staff in dealing with the impacts of Welfare Reform and had been discussed by the Welfare Reform Board. The Chief Executive reminded Members that the Contingency Reserve was a figure which was separate from the base level figure of £5.476m. He said that homelessness would be prioritised as it was a statutory duty on the authority but was a significant pressure as the amount which could be required was unknown.

The Cabinet Member for Corporate Management understood the concerns raised but said that the full impact of the Welfare Reform was not yet known and that the authority could not return to the days of significant bed and breakfast spends of the past.

In response to a question from Councillor R.G. Hampson on funding for special schools, the Chief Executive said that extra provision for special schools had been included in the draft budget and that this would continue to be a priority.

Councillor P.J. Curtis suggested that landlords should be encouraged to reduce the costs of rental properties to alleviate some of the problems which would arise from the Welfare Reform changes. The Chief Executive said that the authority was as prepared as it could be but that it had been a national government decision to undertake the reform and that the risk had not been created by local authorities.

Councillor M. Bateman commented that there would also be additional pressure on the authority as a result of the health reforms proposed by Betsi Cadwaladr University Health Board.

In response to the comments made, the Leader of the Council said that it was important to map out the impact on local people and local need of the changes proposed by the Welfare Reform and the pressures being put on Council Tax payers.

Councillor A. Woolley asked whether the impact of the 'bedroom tax' had been considered, and highlighted in particular the number of people who could be affected by the changes but would not be able to move, even though they wanted to, as the Council did not have the appropriate size of property available. The Leader of the Council responded that the issue of the allocations policy had been raised by the Welfare Reform Board and that a national debate was required on the issue. He added that it was interlinked with the Discretionary Housing Payment Policy report which was to be considered as the next item on this agenda. The Chief Executive explained that there had been a change in benefits but no changes on the issue of housing supply. He said that a Fair Debt Policy was being developed. The Head of Finance explained that a report on the policy would be submitted to the March 2013 meeting of the Committee.

In response to a question from Councillor G.H. Bateman on the pressure of £0.042m relating to additional audit days, the Head of Finance said that it was due to the amount of days spent on a complex investigation. The Chief Executive said that he had sanctioned the extra expenditure and had discussed it with the Chair and Vice-Chair of the Audit Committee. It had also been the subject of a specific recommendation from the Audit Committee.

RESOLVED:

That the report be noted.

76. DISCRETIONARY HOUSING PAYMENT (DHP) POLICY 2013/14

The Interim Manager (Finance Department) introduced a report for the Committee to consider and discuss Flintshire County Council's revised Discretionary Housing Payment (DHP) Policy for 2013/14. The comments raised would be reported to Cabinet at its meeting in March 2013.

The Interim Manager (Finance Department) detailed the background to the report, explaining that the Department for Work and Pensions (DWP) allocated extra funding to local authorities to provide all claimants with further financial assistance with their Housing Costs. The DWP annual funding for DHP across England and Wales was £20m up to April 2011 and to help local authorities manage the impact of the reforms, DHP funding had increased to £30m in 2011/12 and to £60m for 2012/13 and for the remainder of the Spending Review period. She explained that the DHP payments were only for the short term and examples of where a DHP may be used were reported. Each year the DWP allocated funding to Local Authorities for DHP; authorities were allowed to award up to 2.5 times the government allocation of DHP. For the financial year 2013/14 Flintshire County Council had been allocated £242,119 which meant that the overall expenditure limit for DHP was £605,298. The 2013/14 budget contained a provision for Flintshire County Council to contribute £167,526 which would provide a total of £409,645. The Interim Manager explained that this meant that

there was insufficient budget to help all those who would be affected by the changes to Welfare Benefits. Applications for DHP would be looked at subjectively with the individual circumstances being considered.

Councillor A.I. Dunbar welcomed the report but in highlighting paragraph 3.05, raised concern about the lack of cheaper alternative accommodation available to those affected by the Welfare Reform changes and the inability for people to increase their income which was also suggested as a way to reduce the amount of shortfall between their Housing Benefit and their rent. He asked about the consequences of not awarding a DHP and in response the Interim Manager spoke of the proactive work on personal budgeting which had been undertaken. However, she reminded Members that the Council would not be able to help all claimants but would still need to pick up the pieces following the Welfare Reform changes.

In response to questions from Councillor A. Woolley, the Interim Manager said that the amount of DHP allocated to Flintshire County Council in 2012/13 was £114,000 and that £24,000 remained unawarded. She explained that she would provide details of the number of people who had been helped in 2012/13 after the meeting.

Councillor P. Shotton paid tribute to the Benefits Section. He referred to the Flintshire County Council bond scheme for deposits and asked what level of assistance was available. The Interim Manager indicated the team worked closely with Housing colleagues and that she would provide a response after the meeting on the bond scheme.

Councillor P.G. Heesom welcomed the report and thanked officers in Benefits for their work. He asked for further information on the work undertaken with other authorities to deal with the pressures from the changes. The Interim Manager explained that working groups at officer level across North Wales had been established and a workstream was being set up on DHP and how it would work.

The Leader of the Council said that this issue was a significant challenge for the Council and that the work of the Welfare Reform Board needed to be reported to this Committee to show how it fitted into the overall challenge. He felt that some individuals would be hit by all of the changes detailed in paragraph 3.01.

Councillor J. Johnson referred to the underspend on the 2012/13 allocation and asked whether many claimants had been turned down for DHP. The Interim Manager responded that the DHP was a last resort that was used as a short term measure and that it helped those that it could. However, a small number of claimants were turned down because alternative and more sustainable solutions had been identified without the need for DHP.

Councillor R. Lloyd queried the figures reported in the financial implications section of the report and asked who set the overall limit. In response the Interim Manager said that Flintshire County Council had the ability to top up the allocation of £242,119 to £605,298 and that the limit was 2.5 times the allocation made by the DWP. The Chief Executive said that there was a need to

track the impacts of the reform and he predicted that DHP would be heavily used. He said that the top up provided by local authorities was a way of subsidising national budget problems and that he had received feedback from other Councils about the good practice being used by Flintshire County Council.

Councillor M. Bateman asked for further information on the increase by DWP of the funding for DHP from £20m up to April 2011 to £60m for 2012/13. The Interim Manager said that a number of criteria were taken into account such as demographic and the case load for each authority. She added that she would provide further information on the calculations.

The Chief Executive reminded Members of the importance of tracking the spend in year as the gap between the allocation and the limit identified by DWP had to be found by the authority.

Councillor Heesom suggested that an update report be provided in due course. The Chairman suggested that the draft minutes for this item be made available to Cabinet so the comments from Committee Members could be used in their consideration of the item at its March 2013 meeting.

RESOLVED:

- (a) That the report be noted;
- (b) That the Committee's comments in the form of the draft minutes be made available to Cabinet for its meeting in March; and
- (c) That the Committee be provided with an update report in due course.

77. WORKFORCE AS A FLINTSHIRE FUTURES WORKSTREAM

The Head of Human Resources and Organisational Development introduced the report to provide Members with an overview of the Workforce Workstream within the Flintshire Futures Programme and provide a progress report.

The report detailed the key objectives and the progress to date for each of the four areas of the workstream. The Head of Human Resources and Organisational Development explained that Organisation Design and Development would have a significant impact on the Council and would assist in looking at the size and shape of organisation going forward. She stated that £4m savings had already been achieved across the Council but that there was now the need review service delivery models, the integration of business units, review of management layers and overhead costs. On readiness to change, it was reported that the behavioural competencies had been redrafted to define the competencies required for employees at every level to meet the organisational challenges of the future. The Head of Human Resources and Organisational Development advised that Members would receive regular updates and an appraisals workshop was to be held for Members in March 2013. The implementation of iTrent, which Members would also receive updates on, would encourage the move to a paperless environment. The fourth key objective was Consultants, Interims & Agency – Procurement and Expenditure and the Head of

Human Resources and Organisational Development explained that a significant amount of work had been undertaken to understand the level of use and the spend incurred and ways of reducing the dependency. Details of efficiency targets would be shared with Members when these were available.

The Cabinet Member for Corporate Management thanked the Head of Human Resources and Organisational Development for the report and said that it was essential to modernise, work together and adapt to move forward.

In response to a question from Councillor P. Shotton on collaboration with other authorities, the Head of Human Resources and Organisational Development said that collaboration and partnership working was always part of the considerations when looking at redesign. A number of examples across the organisation had been successful and included the collaboration for Occupational Health Services with Wrexham County Borough Council and the training arrangements in place with Deeside College. She spoke of the ongoing work to review the classification and categorisation of consultants and it was reported that it was intended to start up a working group to undertake an options appraisal to identify the most effective means for procuring and managing consultants in the future.

On the issue of iTrent, the Chief Executive said that the saving was in time and process and that some of the bigger consultancy costs were linked to big projects which would end when the project ended. On collaboration, in his experience, sharing experience created bigger savings.

Councillor P.G. Heesom welcomed the report and commented on previous problems with the HR service and the much improved service which was in place today. He referred to the use of consultants and interim post holders and said that it was important to ensure that the skills of staff employed by the Council were also utilised. The Chief Executive explained that a significant amount of progress had taken place in HR but that there was still work to do. He spoke of the consultants who had been brought in for specific projects highlighting in particular the project manager for P2P who had been a valuable consultant as there was nobody within the authority with the expertise needed. He said that the amount spent on consultants was sometimes over-exaggerated and reiterated his earlier comment that consultants brought in for specific projects would leave at the end of the project.

The Leader of the Council shared Councillor Heesom's concerns over consultancy costs. Within Organisation Design and Development, he felt that the review of management and supervision was the key objective but said that it was important that it was undertaken in a measured and orderly way whilst protecting front line services. The Chief Executive referred to the savings of over £4m which had been made as a result of significant changes to the senior management/leadership structure and a large number of service reviews. The Cabinet Member for Corporate Management said that it was easy to criticise the amount spent on consultants but spoke of their knowledge and expertise in their field which had been a tremendous asset to the council. Councillor P.J. Curtis felt that it was important to look for the skills and talents of the employees of the Council and the need to assist and train them to progress within the authority.

The Leader of the Council said that there was a need to approach the redesign of the management structure in a methodical manner and spoke of the opportunity to export and import good practices. The Head of Human Resources and Organisational Development commented on the work being undertaken to develop skills of employees and to improve succession planning which would assist the Council in developing and growing its own employees within the Council thereby attracting and retaining talented people.

In response to a question from Councillor R.G. Hampson about collaboration, the Chief Executive commented on a regional framework to deliver savings through procurement and other areas such as ICT.

Councillor A. Woolley welcomed the report and highlighted the transformation of working practices to focus on customer requirements and deliver 'value for money' and the redrafting of the appraisal process. The Leader of the Council said that it was important that value for money was an overarching philosophy in all of the Flintshire Futures Workstreams.

RESOLVED:

- (a) That the report be noted; and
- (b) That a progress report be submitted to the September 2013 meeting of the Committee.

78. FORWARD WORK PROGRAMME

The Member Engagement Manager introduced a report to consider the Forward Work Programme for the Committee.

The Member Engagement Manager explained that the Appraisals Workshop had been scheduled for 10am on Thursday, 28 March 2013 in the Alyn & Deeside Room. He detailed the items identified for the next scheduled meeting of the Committee on 14 March 2013 and explained that during earlier discussions, the Head of Finance had indicated that a report on the Fair Debt Policy was to be submitted to the March meeting. It had also been agreed that the Proposed Regional Emergency Planning Service report would be considered at the March meeting.

Due to the number of items scheduled for the 14 March 2013 meeting, the Member Engagement Manager suggested that the report on Procurement as a Flintshire Futures Workstream be moved to the meeting scheduled for 16 May 2013. A report on the Medium Term Financial Plan was also suggested and it was agreed that this would be submitted to the July 2013 meeting of the Committee.

RESOLVED:

- (a) That the report be received;

- (b) That reports on the Proposed Regional Emergency Planning Service and Fair Debt Policy be scheduled into the Forward Work Programme for the 14 March 2013 meeting;
- (c) That the report on Procurement as a Flintshire Futures Workstream be moved from 14 March to the 16 May 2013 meeting of the Committee; and
- (d) That the Medium Term Financial Plan be the subject of a report to the July 2013 meeting of the Committee.

79. DURATION OF MEETING

The meeting commenced at 10.00 a.m. and ended at 12.31 p.m.

80. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There were no members of the public and one member of the press in attendance.

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Chairman