

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
12 MAY 2016

Minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee of the Flintshire County Council held at County Hall, Mold on Thursday, 12 May 2016

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Andy Dunbobbin, Robin Guest, Richard Jones, Brian Lloyd, Vicky Perfect, Paul Shotton, Ian Smith, and Arnold Woolley

SUBSTITUTIONS:

Councillor Haydn Bateman for Marion Bateman, Dave Cox for Paul Cunningham, Ian Dunbar for Ron Hampson and Adele Davies-Cooke for Nigel Steele-Mortimer

APOLOGY:

Councillor Ray Hughes

CONTRIBUTORS:

Councillor Aaron Shotton – Leader of the Council and Cabinet Member for Finance, Chief Executive, Chief Officer (Governance)

Policy and Performance Manager for minute numbers 5 and 6, Mr. Colin Evans from the Community Foundation in Wales for minute number 5, Finance Manager – Strategy Accounting and Systems for minute numbers 7 and 9

Senior Manager – Human Resources and Organisational Development for minute number 8

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

1 APPOINTMENT OF CHAIR

The Member Engagement Manager advised that it had been confirmed at the County Council Annual meeting that the Chair of this Committee be allocated to the Conservative Group. The nomination from the Group had been for Councillor Clive Carver. On being put to the vote, the nomination was confirmed.

RESOLVED:

That Councillor Clive Carver be confirmed as Chair for the Committee for the municipal year.

2. APPOINTMENT OF VICE-CHAIR

The Chair sought nominations for the appointment of Vice-Chair. Councillor Richard Jones was nominated by Councillor Robin Guest but he declined the nomination. The Chairman proposed Councillor Arnold Woolley

and this was duly seconded. On being put to the vote, the nomination was carried.

RESOLVED:

That Councillor Arnold Woolley be appointed as Vice-Chair for the Committee for the municipal year.

3. DECLARATIONS OF INTEREST

No declarations of interest were made.

4. MINUTES

The minutes of the meeting of the Committee held on 14th April 2016 had been circulated to Members with the agenda.

RESOLVED:

That the minutes be approved as a correct record and signed by the Chairman.

5. COMMUNITY ENDOWMENT FUND – ANNUAL REPORT

The Policy & Performance Manager introduced a report to provide Members with an update on the progress and performance of the Fund since it was last reported in March 2015. She also introduced Mr. Colin Evans, an Associate of the Community Foundation in Wales who was present at the meeting to provide a presentation on the performance of the fund.

Mr. Evans detailed the background to the report and explained that this was the third presentation on the performance of the fund. He provided a detailed presentation which covered the following areas:-

- The Flintshire Community Endowment Fund
- Introduction and Overview
- The Community Foundation in Wales – news
- Fund history and overview
- Financial performance of the fund
- Analysis of grant awards and added value for Flintshire
- Additional services for Local Authorities
- Questions and agreed actions

The Chairman and the Chief Executive thanked Mr. Evans for his presentation.

In welcoming the presentation, Councillor Paul Shotton acknowledged the excellent return of 10.9% since the assets were transferred to the Foundation and the further added value totalling £320,000 that had supported 67 projects in Flintshire since 2012. He commented on the success of the

Fund and particularly welcomed the help that had been provided to the Flintshire Foodbank and the Domestic Abuse Safety Unit in Deeside. In referring to the partnership with Asda to deliver its community grant-making programme, Councillor Shotton asked if there were opportunities for other large companies to take up a similar role in the future. He also commented on the Flintshire, Denbighshire and Wrexham Welsh Church Act Funds and provided his support for the recommendation to take this aspect forward for further investigation.

Councillor Ian Dunbar felt that it was pleasing to see that the grants had been made to a variety of individuals and projects and highlighted in particular the grant of £750 awarded to a Girl Guide in the Senior Section at Wepre Guide Unit. He sought clarification on the work on Vital Signs and Mr. Evans explained about the initiative which concentrated on what was needed in local communities. He spoke of the work undertaken in the network of 48 community foundations which covered all parts of the UK and said that the award of every grant was followed up and the response assessed to ensure compliance with the terms of the grant and to measure the impact of the grants on individuals and communities. Mr. Evans spoke of the desire to be able to share details of the successes of the Community Endowment with local businesses to try and encourage them to invest so that more grants could be awarded in the future. He referred to a number of other themes that it was hoped the award of grants could be used for.

Councillor Brian Lloyd referred to a meeting that he had attended where one of the recipients of a grant had been present. The young person had been very thankful for the contribution made to allow them to take part in an event that they would otherwise have had to miss. Mr. Evans welcomed the feedback from Councillor Lloyd. In welcoming the report and presentation, Councillor Andy Dunbobbin asked what plans were in place to increase the awareness of the Flintshire Community Endowment Fund across the County. Mr. Evans explained that the funds currently shared a core theme of education and that in the future, it was hoped that different areas or themes could be considered. Information was available on the Council's website and he welcomed the opportunity to be able to carry out presentations such as this to share the work of the Community Endowment Fund. Councillor Richard Jones welcomed the monitoring of how the grant had been used and the impact its award had made and sought clarification on how this was achieved. Mr. Evans explained that all recipients of grants were advised that they would need to let the Community Endowment Fund know how the money had been spent and the information was then included on a database to provide information on the use of the grants. He added that if the information was not forthcoming from the recipients, then they were precluded from applying again in the future.

Councillor Arnold Woolley thanked Mr. Evans for the clear and concise report and presentation and, in referring to his role as Chair of the Flintshire District Scouts Executive, gave thanks for the award of grants which had been of great assistance to those concerned.

In response to a question from Councillor Paul Shotton, Mr. Evans spoke about the initial value of the endowment on transfer of £178,998 which was ring-fenced as a long-term source of funding to support education in Flintshire. However, the fund had eight different themes which it was hoped future donations would be able to assist with.

Councillor Richard Jones proposed the recommendation in the report but Councillor Robin Guest felt that it should include congratulations to the Community Foundation in Wales for their work. On being put to the vote, this was agreed.

RESOLVED:

- (a) That the Community Foundation in Wales be congratulated for the work which they have undertaken and thanked for the distribution of local grants; and
- (b) That the Committee supports further investigation into the transfer of the Welsh Church Act Funds for Flintshire, Denbighshire and Wrexham to the Community Endowment Fund for Wales.

6. IMPROVEMENT PLAN 2016/17

The Chief Executive introduced a report on the Improvement Plan for 2016/17 which had been refreshed and updated to reflect the key priorities of the Council for next year. The Improvement Plan was to be submitted to meetings of Cabinet and County Council on 14 June 2016.

Following a presentation of the initial draft to Cabinet on 19 April 2016, relevant sections of the Improvement Plan were being presented to Overview & Scrutiny Committees for consultation and input, along with the proposed targets for the national performance indicators. This Committee had the opportunity to comment on the Improvement Plan as a whole and more specifically on the 'Modern and Efficient Council' priority which included areas within the terms of reference of the Committee.

The Policy and Performance Manager explained that the main change within the 'Modern and Efficient Council' priority was within the 'Developing Communities' sub-priority for 2016/17 and built on work that had been completed in 2015/16 with support for local communities; details were provided in paragraph 1.09. She also highlighted the sub-priority of 'Improving Resource Management' and explained that this also built on issues that had been considered in the previous year particularly in the area of efficiencies.

Councillor Paul Shotton supported the Plan and commented on the provision the living wage for care providers which was a national issue affecting all Councils and the ongoing work to deliver a proactive housing solutions service to prevent homelessness for as many households as possible. He also welcomed the project to bring empty homes back into use

and spoke of a scheme in his ward which had seen the development of a building that had previously been a public house which was now being converted into flats. Councillor Shotton also commented on the securing of funding through the Major Repairs Allowance (MRA).

The Chief Executive confirmed that the ongoing MRA funding was a significant resource for the Council to meet the Welsh Housing Quality Standard by 2020. On the issue of care homes, he commented on the Special Social and Health Care Overview & Scrutiny Committee that had been held to consider the Residential Care Review. Discussions were taking place with Welsh Government on the declining funding for the care home sector and the need to identify workable solutions. The issue of funding had also been raised with Betsi Cadwaladr University Health Board (BCUHB) on the Interim Care Fund and whether this could be used to fund the cost of meeting increases in domiciliary care. He added that the issue of care home provision in Flintshire was a high priority.

Councillor Richard Jones said that he had a number of questions that he would send to the Chief Executive and the Policy and Performance Manager. He commented on the importance of providing support for people with dementia and queried why the areas of economy and enterprise had been included under one priority when they had previously been reported separately. The Chief Executive explained that this was because the two areas of economy and enterprise fitted well together and allowed for consolidation of the plan.

RESOLVED:

That the Committee endorses and supports:-

- (i) the content of the improvement plan and 'How we measure achievement' document for the priority 'Modern and Efficient Council'
- (ii) the strategic approach to the Improvement Plan and its delivery
- (iii) the proposed targets for the national performance indicators

7. MEDIUM TERM FINANCIAL STRATEGY 2016/17 – 2018/19 AND THE COUNCIL FUND REVENUE BUDGET 2017/18

The Chief Executive introduced a report to provide Members with updated information on the Medium Term Financial Strategy (MTFS) for 2016/17 – 2018/19.

The first year of the MTFS for 2015/16 had been agreed and published in 2015 and the next version had been considered by Cabinet on 19 April 2016 and covered the period 2016/17 - 2018/19. This was significant as 2019 was the year intended by the outgoing Welsh Government (WG) for the election of shadow authorities as a first step towards the re-organisation of local government in Wales. The financial forecast for 2017/18 to 2018/19 was constantly changing and paragraph 1.05 provided details of a revised forecast

totalling £17.20m. However, a number of footnotes for issues that were being considered but not yet known had been included, such as the impact of Social Care transition costs and the assumption of a 3% rise in Council Tax. The Chief Executive reminded Members that clarity from WG had not been received for longer term funding and therefore assumptions had been broadly made based on figures from the previous year. The Council had adopted a three part strategy of:-

- Service Reform
- Corporate Financial Stewardship; and
- Working with Welsh Government

It had been recommended that Cabinet continue with the strategy and work on service portfolio business plans would be shared with Overview & Scrutiny Committees in June 2016. The Chief Executive emphasised the importance of demonstrating to WG how efficient, resilient and high performing the Council was, despite being such a low funded authority. He spoke of the risks involved in receiving reduced funding and the discussions that were ongoing particularly about the charging cap for social care and the lower share of funding that the Council received based on demographics and deprivation. He also commented on the Independent Commission for Local Government Finance in Wales report which recommended that Councils would be able to retain National Non Domestic Rate (NNDR) income growth.

The Finance Manager – Strategy Accounting and Systems advised that the footnotes shown in the tables included assumptions and reiterated that the information was constantly changing. The figures for 2018/19 were currently low but the figures would increase as a result of the significant amount of work that was ongoing.

Councillor Richard Jones indicated that he had difficulty in supporting the third part of the strategy to lobby WG as he felt that any results could not be relied upon to support the budget. He spoke of the hard work by Members and officers and said that he was not implying that it was not a good idea to work with WG but it was the reliance to bridge the gap that he was uncomfortable about supporting. The Chief Executive said that the Council was not at this stage relying on any assistance from WG but wanted to be able to take forward a strategy that could provide help particularly in areas such as reductions in Revenue Support Grant (RSG) and the Social Care sector. He commented on the alternative service cost reduction proposals that would need to be re-considered if support could not be provided by WG and added that having a gap in the working budget was a significant risk.

Councillor Robin Guest spoke of the concerns raised by Councillor Jones and welcomed the inclusion of the third strand to the strategy which would enable discussions to be held with WG. He said that some Members had been sceptical previously because it had been felt that asking for help was unrealistic. He acknowledged that the approach taken for 2016/17 had resulted in a better than expected outcome.

Councillor Aaron Shotton recognised the concern about some of the assumptions made in the figures such as a 1.5% reduction in the RSG. However, he spoke about the continued approach that was needed on discussions with WG. The business plan projections for 2016/17 of £7.7m had not yet been agreed and he said that if these were not supportable options, then the efficiencies figures could potentially reduce. He reminded Members that the Council did not take decisions lightly particularly in relation to reducing or closing services and spoke of the impact on communities if the Council was not able to provide a balanced budget. The Chief Executive spoke of the funding formulas and the flexibility that could be considered by WG to ensure that all Councils were funded fairly. He commented on the Intermediate Care Fund provision and the extra £50m that had been made available by WG and highlighted other areas where additional monies could be retained by Councils, such as the NNDR for new businesses. He felt that this was an opportunity for the Authority to put a robust and well evidenced lobbying case to WG.

In supporting the recommendation, Councillor Arnold Woolley commented on the issue of finance at WG and said that it was important to lobby WG both individually and collectively. Councillor Richard Jones spoke of additional monies that had been provided by WG to the Health Board at a time when the Council was seeking assistance and that was why he had been unable to support the suggestion of lobbying WG. Councillor Paul Shotton said that he hoped that there would be a positive response from WG and welcomed the comment from Councillor Woolley about all party lobbying.

Councillor Guest sought clarification on local government reform and whether this was still to be progressed following the departure of Leighton Andrews as the Minister for Public Services. He felt that any reforms would have an impact on the MTFS. Councillor A. Shotton said there was currently no party with overall control of WG and that it was assumed that discussions would take place in due course on whether the proposals would continue. He also spoke of the collective weight that needed to be applied to the lobbying case to WG and spoke of a grant that had been made available to some rural authorities following concerted pressure by others.

RESOLVED:

That the Committee endorses the framework for the revision of the Medium Term Financial Strategy 2016/17 – 2018/19

8. USE OF AGENCY WORKERS

The Senior Manager – Human Resources and Organisational Development introduced a report to provide Members with a detailed overview of the use of Agency Workers and associated costs.

The report had been prepared following a request for further information at the previous meeting of the Committee. The Senior Manager

advised that the appendix to the report provided details of the costs associated with agency placements.

Councillor Paul Shotton thanked the officers for the information and said that there would always be a requirement for the use of agency workers particularly in Social Services and Streetscene. The Chairman sought clarification on the figures in the appendix, particularly on Council comparative costs against the Agency Worker Regulations pay rates as it appeared that it was more cost effective to employ agency staff rather than permanent employees. The Senior Manager spoke of the risks that would be associated with only employing agency staff and commented on the liability issues once they had been employed for more than 11 weeks. She provided an explanation on the rates in the appendix that attracted an overtime premium and those that did not. The Chief Executive confirmed that agency workers were only used in a small number of areas of the Council and that it would not be sustainable to only employ agency workers; he added that this would also be challenged by the Trade Unions.

Councillor Aaron Shotton spoke of previous discussions on agency workers where it had been suggested that this was an expensive way of employing staff, but the figures did not seem to reflect that. However, he added that ethically, it was better to employ permanent staff to continue the quality of service and ensure loyalty.

Following a comment from the Chairman, the Senior Manager provided a detailed explanation of the figures shown in the appendix to the report and the Chief Executive added that the agency was not paid to meet employer pension costs. In response to a query from the Chairman about some of the figures in the appendix particularly for the Day Care Assistant and the Household Recycling Centre Assistant, the Senior Manager said that she would seek clarification on the figures. Councillor Richard Jones referred to the moral rather than financial issue and concurred that it was better to employ permanent staff rather than agency workers. Councillor Ian Smith also asked about the figures for Catering Assistants which were reported to be £7.20 per hour for weeks 1 to 11 and reducing to £6.44 from week 12. The Senior Manager advised that this could be because the data had not been updated but added that she would seek clarification.

Councillor Arnold Woolley welcomed the reduction in levels of agency staff use to a more appropriate and acceptable level but queried whether such a change could have been put in place sooner, as the issue of the use of agency workers had first been challenged in 2006. The Chief Executive concurred but commented on Flintshire being the first authority to work with other authorities to put the Matrix contract in place for the provision of agency workers which had helped to reduce costs. Councillor Woolley felt that the Council would always need some agency workers.

In referring to the recommendation, the Chair suggested that the word 'review' be replaced with the word 'recognises'. This was proposed by Councillor Paul Shotton and duly seconded.

RESOLVED:

That the Committee recognises the position of the Council as an employer in using agency workers sparingly and appropriately.

9. REVENUE BUDGET MONITORING 2015/16

The Finance Manager – Strategy Accounting and Systems introduced a report to provide Members with the Revenue Budget Monitoring 2015/16 (Month 11) report for the Council Fund and Housing Revenue Account (HRA) which was to be submitted to Cabinet on 17 May 2016.

For the Council Fund, the projected net in-year expenditure was forecast to be £1.574m lower than budget which was a positive move of £0.464m from Month 10. Appendix 1 detailed the movements from Month 10 which were across all portfolios.

Appendix 3 provided details of the latest position of the programme of efficiencies and it was projected that £10.623m (83%) would be achieved resulting in a net underachievement of £2.251m; this had already been reflected in the outturn. It was reported that £0.125m for food and pay inflation was no longer required. Taking into account previous allocations and the current underspend at Month 11, the balance on the Contingency Reserve at 31 March 2016 was projected to be £5.210m. The previous allocation for investment in organisational change was now fully committed therefore it was recommended that £0.750m was set aside to renew investment to save funds to support future organisational change; if approved this would reduce the balance on contingency reserve to £4.460m. Details of carry forward requests were included in appendix 6 and were recommended for approval by Cabinet.

The Month 11 Monitoring report for the HRA was projecting in year expenditure to be £0.092m lower than budget and a projected closing balance as at 31 March 2016 of £1.330m which at 4.3% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%.

Councillor Richard Jones sought clarification on the future organisational change projects that would be supported by the £0.750m set aside to renew the invest to save funds. The Chief Executive explained that the funds could be used for a variety of areas and that bids would need to be made for the funding, supported by a business case. Councillor Jones referred to a number of departments where he felt that staffing had been reduced which could have an impact on the service. The Chief Executive spoke about resilience within services.

In referring to the volatility of the recycling market, Councillor Paul Shotton asked whether it was anticipated that there would be an improvement in the future. The Chief Executive said that an up-turn in rates for the sale value of recyclable goods such as glass and plastic was not expected.

Councillor Arnold Woolley expressed concern about the growing number of items that were being carried forward and queried whether this was as a result of reducing the workforce. He suggested that it would be helpful for Members to have information on the number of items carried forward and their value for the same time in 2015/16 and 2016/17 so that Members could compare the details. The Finance Manager – Strategy Accounting and Systems advised that there had not been an increase in the number of items being proposed to carry forward but added that she would obtain the information that had been requested. She explained that the requests for carry forward were for works that had started in 2015/16 but had not been able to be completed before the end of the financial year. The Chief Executive confirmed that the requests were not as a result of capacity or organisational change. Following a comment from Councillor Ian Smith, the Finance Manager advised that the figures in appendix 6 were currently showing as underspends because the work on each of the projects had not yet been completed; she added that the spend had been accounted for in the outturn for 2015/16.

RESOLVED:

- (a) That the Revenue Budget Monitoring 2015/16 (Month 11) report be received; and
- (b) That the Committee confirms that it is not making any formal recommendations to Cabinet on this occasion.

10. FORWARD WORK PROGRAMME

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

He provided details of the items for consideration at the 16th June 2016 meeting and advised that a report on the Use of Consultants would also be submitted to that meeting. The Member Engagement Manager also highlighted the reports that would be considered at the 14th July meeting. The Annual Report for the Community Safety Partnership would be submitted to either the July or September 2016 meetings of the Committee as the statutory Crime & Disorder Committee. The 2016/17 diary had also now been agreed and items for consideration at each meeting would be populated for the year.

RESOLVED:

- (a) That the Forward Work Programme, as amended at the meeting, be approved; and
- (b) That the Member Engagement Manager, in consultation with the Chair, Vice-Chair and officers, be authorised to vary the work programme between meetings.

11. **MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE**

There were no members of the public or press in attendance.

(The meeting started at 10.00am and ended at 12.13 pm)

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Chairman