

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
10 NOVEMBER 2016

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold on Thursday, 10 November 2016

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Paul Cunningham, Peter Curtis, Robin Guest, Ron Hampson, Brian Lloyd, Vicky Perfect, Paul Shotton, Ian Smith, Nigel Steele-Mortimer and Arnold Woolley

SUBSTITUTE: Councillor Haydn Bateman (for Marion Bateman)

APOLOGY: Councillor Ray Hughes

ALSO PRESENT: Councillors Ian Dunbar, Brian Dunn and Dave Mackie

CONTRIBUTORS: Councillor Aaron Shotton, Leader of the Council & Cabinet Member for Finance; Councillor Billy Mullin, Cabinet Member for Corporate Management; Chief Executive; Chief Officer (Governance); and Corporate Finance Manager

Chief Fire Officer Simon Smith and Deputy Chief Fire Officer Dawn Docx of North Wales Fire and Rescue Service (for minute number 52)

Senior Manager, Human Resources and Organisational Development (for minute number 54)

IN ATTENDANCE: Democratic Services Manager and Committee Officer

50. DECLARATIONS OF INTEREST

On Agenda Item 4 'North Wales Fire & Rescue Authority', Councillor Paul Shotton declared a personal interest as a member of the Fire Authority.

51. MINUTES

The minutes of the meeting of the Committee held on 13 October 2016 had been circulated with the agenda.

Matters Arising

Minute number 46: Workforce Information Report - Quarter 1 2016/17 - Councillor Arnold Woolley questioned why the report was longer than that for the same quarter in 2015/16, pointing out the implications on cost and difficulty in comparing trends. The Democratic Services Manager agreed to look into this. The Chief Executive explained that more recent reports, which were generated by the iTrent system, were likely to include more detail following

requests by Members and he asked that any suggested changes to reports be raised with officers.

Minute number 48: Forward Work Programme - the Chairman had received confirmation that an email address for reporting IT faults was not currently available. If the Chairman was made aware that such a facility was introduced, he would share this with all Members.

RESOLVED:

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

52. NORTH WALES FIRE & RESCUE AUTHORITY

Chief Fire Officer Simon Smith and Deputy Chief Fire Officer Dawn Docx of North Wales Fire and Rescue Service were welcomed to the meeting to give a presentation on the public consultation exercise, as set out in the document 'Affordable fire and rescue services for North Wales'. A short video was shown to highlight the significant financial pressures on the Fire Authority and its proposed improvement objectives for 2017/18:

1. Continuing to keep people safe from fire in their homes.
2. Taking a new approach to meeting the Authority's costs.
3. Protecting all our communities with better planning of firefighting crews.
4. Exploring how we can do more things for our communities.

A number of internal changes had ensured that service delivery to communities remained unaffected, however continued financial pressures had identified the need for a new financial strategy to meet the £2.3m funding gap.

Councillor Paul Shotton welcomed the preventative work which had contributed to the decline in fire incidents over the past decade. In response to a question, the Chief Fire Officer provided explanation on the 'co-responding' pilot scheme where support was given to the Ambulance Service by providing reactive and intermediate help on urgent serious incidents. This did not replace the services by the Ambulance Trust and was an extension to the firefighter role with those taking part did so voluntarily. Although the final outcome of the trial was not yet known, the positive impact was recognised. Information was also shared on another pilot involving community safety teams providing support on low-level incidents in Conwy and Denbighshire.

Councillor Peter Curtis referred to the need for action by the Welsh Government (WG) to combat widespread austerity, and raised his concerns about the impact of further funding cuts.

The Chief Fire Officer spoke about the support received from WG. Whilst significant work had been done to reduce the number of fires, there was a danger in reduced service demand as prevention was the only way to reduce deaths and injuries.

Councillor Brian Lloyd thanked the Fire Service for its assistance on a recent incident.

Councillor Robin Guest spoke about the Council's support for the Fire Authority as a reactive service. He referred to the £47 cost per head of population for North Wales in comparison with previous years and supported the proposal to seek additional funding from councils. On Objective 4, he felt that a degree of caution was needed on creating opportunities to support other emergency services. The Chief Fire Officer said that to avoid any reduction in resources/capability, the objective was aimed at identifying other activities to help justify and sustain the service into the future whilst balancing the budget.

The Deputy Chief Fire Officer provided explanation on the financial strategy resulting in the cost per head of population being maintained since 2010/11. She also spoke about the three year budget plan to deal with the funding gap. The proposed increased levy from councils of £1.7m for 2017/18 would be levelled out the following year, utilising reserves.

As a former member of the Fire Service, Councillor Paul Cunningham applauded the approach being taken and commented on the range of other duties undertaken by fire officers.

The pilot with the Ambulance Service was welcomed by Councillor Ron Hampson in recognition of the increasing pressures arising from the ageing population. The Chief Fire Officer explained that the pilot had been financed internally and that any plans to extend this would require discussions on funding with WG and the health sector.

Councillor Arnold Woolley felt that public support for increased funding would be forthcoming, given the value of the Fire Service. The Chief Fire Officer said that individual decisions on contribution levels would need to be made by each of the six North Wales councils and that views may differ.

Councillor Ian Dunbar, who was attending as an observer, was permitted to speak. As a member of the Fire Authority, Councillor Dunbar commended the approach and highlighted the Phoenix projects which helped young people. He supported the request for additional funding and referred to the proposal to withdraw one wholetime fire engine in Wrexham. The Chief Fire Officer emphasised that this decision had not been taken lightly and that a number of factors had been considered such as the declining number of incidents, the need to find efficiencies and manage risk without resorting to redundancies or the loss of another fire station. He pointed out that difficult decisions would need to be made in January, following the outcome of the public consultation exercise.

The Chief Executive advised the Committee that this was the only opportunity to formally discuss the consultation document before the Council could respond within the deadline. He explained that the wider public view was a material factor in balancing the budget and may not concur with that of local

authorities. On the budget pressure, should the increase in levy be approved by the Fire and Rescue Authority, this would need to be treated as an additional pressure with one funding option being to include it within the annual Council Tax setting.

When asked by Councillor Vicky Perfect about the potential impact of the levy on Council Tax, the Corporate Finance Manager reported this to be around 0.51%.

The Committee supported the recommendations in the report, along with that from Councillor Guest for greater explanation on the thinking behind Objective 4.

RESOLVED:

That the four proposed strategic objectives within the consultation document be supported, with the proviso that there should be greater explanation on the thinking behind Objective 4 'Exploring how we can do more things for our communities'.

53. PROCUREMENT STRATEGY

The Chief Officer (Governance) presented the proposed Procurement Strategy which set out seven overarching principles on how procurement activities would be carried out, which would be largely achieved by complying with the recently approved Contract Procedure Rules (CPRs). Linked to the Improvement Priorities, the two outcomes were to achieve value for money and to contribute to the local economy through spending in the local area, the use of community benefit clauses and by targeting contracts to social enterprises. The action plan would clarify expectations on community benefit clauses and would be underpinned by a series of performance indicators subject to monitoring.

The Chairman supported the focus on helping the local economy and asked for the figure spent on Flintshire based businesses in 2014/15, omitted from the foreword of the Strategy. The Chief Officer agreed to share this with the Committee.

Councillor Billy Mullin said that whilst the Welsh Government (WG) expected spend to be targeted within Wales, the intention was to extend this to the Mersey Dee Alliance area to reflect the fact that Flintshire was on the border with England.

Councillor Paul Shotton welcomed the community benefits and opportunities for local businesses in partnership with the Federation of Small Businesses and Deeside Business Forum.

The Chief Officer referred to previous discussions on CPRs and explained that Economic Development and Procurement teams were helping to target local spend at small to medium enterprises. Work was being

undertaken with Denbighshire County Council to maximise the use of community benefit clauses to be deployed as appropriate in contracts.

In response to a comment from the Chairman, the Chief Executive referred to the 2015 baseline figure of 52% spend with North Wales businesses and positive contributions already made on community benefits.

The Chief Officer spoke about changes to the community benefits threshold and to maximise their use across as many contracts as possible.

Whilst supporting opportunities for local businesses, Councillor Robin Guest highlighted the importance of achieving value for money. Councillor Peter Curtis agreed with the need to balance quality and cost, recognising that cross-border services and skills may be required.

Councillor Arnold Woolley raised queries on skills required for contract management, the approach to dealing with complaints and the extended use of sub-contractors. The Chief Officer referred to debate by the Audit Committee resulting in outcomes for training to highlight contract management obligations and for progress to be reported to the Audit Committee in January 2017. He pointed out that the use of sub-contractors could be reasonable depending on the contract and that the number of complaints should be considered within the context of the Council's overall spend. He went on to give explanation on the mechanism for controlling contract management within the approved CPRs including powers for principal contractors to deal with under-performing sub-contractors.

Councillor Aaron Shotton highlighted the need to raise evidence-based complaints and explained that the concerns raised at the Audit Committee meeting had in fact involved mitigating factors. He spoke about further work on procurement to identify trends.

In response to Councillor Woolley's comments about skills for contract management, the Chief Officer advised that a performance indicator had been set and that restructuring of the shared Procurement service would create business partner equivalents to focus on specific areas.

The Committee supported Councillor Woolley's proposal to recommend approval of the Strategy.

RESOLVED:

That the Procurement Strategy be recommended to Cabinet for approval.

54. APPRAISALS SUBSTANTIVE PROGRESS REPORT

The Chief Executive introduced a report with detailed completion levels of appraisals by each portfolio, following the information received at the July 2016 meeting on Corporate Services. Whilst the aim remained to achieve 100% completion levels, a degree of slippage was acknowledged and would be

carefully monitored. A number of contributory factors were highlighted such as the number of field-based officers in Social Services and the number of employees in Facilities Services within Organisational Change 2.

The Senior Manager, Human Resources and Organisational Development reported that since production of the report, completion of appraisals had increased by up to 10% including groups where light-touch appraisals had been undertaken. She gave assurance of work to verify exemption figures and the quality of appraisals setting meaningful objectives and identifying knowledge/talent gaps.

Councillor Billy Mullin gave a reminder that appraisals were a two-way discussion, giving employees the opportunity to raise concerns or seek support.

Whilst acknowledging the progress made, Councillor Robin Guest pointed out that the achievement of 100% in some areas such as Organisational Change 2 was unlikely by the December deadline. For fairness and accuracy, he suggested that future reports include a separate line for authorised exemptions. The Chief Executive agreed and said that other sections were expected to close the gap on the completion rate. He went on to explain the reason for employees of Clwyd Theatr Cymru being amongst those exempt, with the introduction of a new system at the Theatr based on collective business performance objectives.

Councillor Arnold Woolley welcomed the progress made on this long-standing issue. On the second recommendation in the report, it was clarified that periodic reports would be incorporated as part of quarterly monitoring arrangements.

RESOLVED:

- (a) That the progress made against the target set for completion of appraisals for portfolios and the Council as a whole be noted;
- (b) That future reports will be included within the Workforce or Performance reports; and
- (c) That more detail be provided on 'authorised exemptions' in future reporting.

55. REVENUE BUDGET MONITORING (MONTH 6) AND CAPITAL PROGRAMME MONITORING (MONTH 6)

The Corporate Finance Manager introduced a report on the revenue budget monitoring position for 2016/17 for the Council Fund and Housing Revenue Account (HRA) and the Capital Programme as at Month 6.

Revenue Budget Monitoring

On the Council Fund, the projected position was that net spend would be £1.553m higher than the budget. This was likely to be impacted by the outcome of negotiations with the Welsh Government (WG) on an additional transport grant and funding for replacement bus service provision following the collapse of GHA Coaches. Progress on efficiencies had resulted in a revised target of £10.521m, with 91% expected to be achieved in year. Amongst the risks were potential changes to the Minimum Revenue Provision which would form part of the budget discussions at the forthcoming special meeting of the Committee.

On the HRA, the year end closing balance was projected to be £1.061m which was above the recommended minimum level at 3.3% of total expenditure.

Councillor Robin Guest acknowledged the actions which had been taken on the orphaned industrial site at Sandycroft and asked about the expected timing of the site closure. The Chief Executive said that a conclusion was expected within the calendar year and that a fuller separate response would be circulated.

Following a request from Councillor Ian Smith, the Corporate Finance Manager agreed to look into whether the finance system could generate appendices with larger print.

In response to comments from Councillor Ian Dunbar on GHA Coaches, the Chief Executive gave a brief update and explained that school transport provision was the responsibility of the Council and that this budget pressure was being calculated for 2017/18.

Capital Programme

Changes to the Capital Programme showed a revised position of £60.551m. A summary of changes during the quarter were included in Section 1.05 being a net increase of £1.404m on Council Fund and £0.083m on the HRA mainly relating to changes in grant funding.

An update on expenditure reported the position on spend to be £30.170m out of the £60.551 revised budget; this was in excess of the 30% spent at the same time in 2015/16.

Two requests for resources had been made for an upgraded microphone system for the Council Chamber and the installation of an average speed camera system along the A548 Sealand Road.

The Chairman asked for details on the funding and costs arising from the latter. The Chief Executive agreed that a written response would be shared.

RESOLVED:

- (a) That the Committee receives the Revenue Budget Monitoring 2016/17 (Month 6) monitoring report;
- (b) That the Committee confirms that on this occasion, there is nothing which it wishes to bring to the attention of Cabinet; and
- (c) That the Committee receives the Capital Programme 2016/17 monitoring (Month 6) and confirms that there is nothing which it wishes to bring to the attention of Cabinet.

56. FORWARD WORK PROGRAMME

The Forward Work Programme was considered and the following actions agreed:

- The People Strategy and Workforce Information Quarter 2 reports to be scheduled for the meeting on 12 January 2017.
- The provisional budget meeting on 16 December 2017 to be cancelled.

RESOLVED:

- (a) That the Forward Work Programme, as submitted, be approved with amendments; and
- (b) That the Democratic Services Manager, in consultation with the Chair, be authorised to vary the Forward Work Programme between meetings, should this be necessary.

57. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There was one member of the press in attendance.

(The meeting started at 10am and ended at 12.30pm)

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Chairman