

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
5 JULY 2012

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, 5 July 2012

PRESENT: Councillor Richard Jones (Chairman)

Councillors Haydn Bateman, Marion Bateman, Peter Curtis, Ian Dunbar, Ron Hampson, Richard Lloyd, Mike Lowe, Paul Shotton, Ian Smith and Arnold Woolley

SUBSTITUTES: Councillors Veronica Gay (for Nigel Steele-Mortimer) and Hilary Isherwood (for Clive Carver)

CONTRIBUTORS:

Leader of the Council, Cabinet Member for Corporate Management, Chief Executive, Head of Human Resources and Organisational Development, Head of ICT and Customer Services and Corporate Finance Manager

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

8. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

9. MINUTES

The minutes of the meeting of the Committee held on 11 June 2012 had been circulated to Members with the agenda.

Matters Arising

In response to a question from Councillor I. Dunbar on matters arising on page 1 about the Council's complaints procedure, the Head of ICT and Customer Services confirmed that the procedure had been implemented.

The Chairman said that he did not recall the Leader of the Council making the comment about the development of the Forward Work Programme as shown on page 2; this should have referred to the Cabinet's rather than the Committee's Work Programme.

Following a question from Councillor V. Gay on Single Status, the Chairman advised that it was item 4 on the agenda for today's meeting. The Chief Executive confirmed that Single Status workshops for Members were being arranged.

RESOLVED:

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

10. SINGLE STATUS

The Head of Human Resources and Organisational Development introduced a report to provide a project update and reassurance report on the delivery of the Single Status and Equal Pay projects.

The Single Status Project Board had met on 15 December 2011 and had agreed a timetable for completion of the project, with a target implementation date of November 2012. The Head of Human Resources and Organisational Development highlighted that additional Governance arrangements had been introduced since the Project Board meeting in December to support the effective delivery of the project through to implementation, to make key project decisions, and to manage risks. The activities which were nearing completion to prepare for pay modelling and to inform the proposed collective agreement ready for formal negotiations with the Joint Trade Unions were detailed. She highlighted pay, Part 3 Terms & Conditions and Equal Pay potential liability, and reported on progress. Workshops for Members had been scheduled for 17th, 24th and 26th of July and it was agreed that the Head of Human Resources and Organisational Development would send a reminder to Members to attend.

The Chief Executive said that working in partnership with the Trade Unions on pay and grading model options was on-going, and that negotiations with the unions were underway on Part 3 Terms and Conditions. He said that when details were available, meetings would be held with Members as all would need to be briefed, confident and assured that the proposals were acceptable, affordable and legal.

The Leader of the Council said that it was important that Members were kept up to date of the progress being made and that they were given an overview of why there was a need to undertake the project, which was a significant challenge. He reminded Members that at the meeting of County Council held in November 2009, it had been unanimously resolved by Members that the project should be stopped pending further work; he said that the project crossed both past and present Council 'administrations'. It was important that Group Leaders played a role in going forward and the Leader commented on the excellent work which had been undertaken to date. He added that the pay modelling was critical to affordability and the acceptability by Members and staff but said that there were opportunities for the lowest paid staff to receive a decent reward for the work that they did. The Chief Executive responded that work was ongoing on the pay and grading model and reiterated that it was important that the pay model must be affordable.

Councillor I. Dunbar referred to paragraph 3.04 and asked for further information on 'sore thumbs'; the Head of Human Resources and Organisational Development provided a detailed explanation. The Chief Executive said that both Unions and Management had identified jobs in the 'sore thumbs' exercise which on the face of it were not comparable to similar jobs and were in need of specific review.

Councillor R.G. Hampson asked if consultants were still in posts in the Council and the Chief Executive confirmed that one consultant formed part of the

project team. He added that once the project had been completed, consultants would not be employed by the Council on future pay and grading projects because of the experience which had been gained by other employees during the consultants' time with the Authority.

Councillor P. Curtis felt that there would be 'losers' as a result of the outcome of the project and said that staff on low pay should receive higher wages but not at the expense of others. The Chief Executive said that there would be inevitably be some 'losers'. One of the aims of pay modelling was to keep the number of 'losers' to a minimum.

The Cabinet Member for Corporate Management commented on the amount of work which had been undertaken. It was important that all Members were involved in the agreement of the proposals which would be a difficult process. He felt that it was an ideal opportunity to address a number of concerns on Part 3 issues.

Councillor H. Isherwood said that there were financial implications and that she would like to hear more about the cost of the project. Following a comment from Councillor Isherwood about consultation with Members in 2009, the Chief Executive said that a series of meetings had taken place between September and November 2009 to prepare Members. This time around more detailed analysis of the impacts of the proposals would be given.

The Leader of the Council said that the project was at a critical stage so he did not want to remove the consultant support as he felt that this would create a significant risk.

Councillor A. Woolley referred to paragraph 10.01 and said that a vote in the ballot should be in place for the entire workforce. The Chief Executive said that a vote in the ballot would be for the members of the recognised Trade Unions only (at a given date) and the Leader of the Council added that employee briefings on Single Status would be available to all employees.

On Equal Pay the Head of Human Resources and Organisational Development said that approximately 550 claims had been lodged and further work was ongoing.

In response to a query from Councillor G.H. Bateman on whether there would be any redundancies as a result of the Single Status project, the Chief Executive said that there would be no redundancies as a direct result of the project. In the event of a 'no' vote, the Authority would have three options which were to do nothing, to renegotiate or to dismiss the staff and re-employ them on the new terms and conditions, the latter being an option of last resort.

RESOLVED:

- (a) That the project update be noted; and
- (b) That the Head of Human Resources and Organisational Development send a reminder to Members about the workshops scheduled for 17th, 24th and 26th July 2012.

11. **REVENUE BUDGET MONITORING 2011/12 (OUTTURN), REVENUE BUDGET MONITORING 2012/13 (MONTH 2) AND CAPITAL PROGRAMME 2011/12 (OUTTURN)**

Revenue Budget Monitoring 2011/12 (Outturn)

The Corporate Finance Manager introduced the report to inform Members of the Council Fund and the Housing Revenue Account (HRA) outturn for 2011/12 (subject to audit) and the impact on the respective level of reserves at 31 March 2012. The report would also be submitted to Cabinet on 10 July 2012.

The final outturn position subject to audit was a net underspend of £2.835m on the Council Fund (underspend of £2.266m at month 11) and a net underspend of £0.737m on the HRA (underspend of £0.497m at month 11). The draft accounts had been submitted to the Wales Audit Office. The significant changes for the Council Fund from Month 11 were detailed in appendix 1 and the significant in-year variances at final outturn were detailed in appendices 2 to 6 for the Council Fund and appendix 8 for the HRA. The underspend represented 1.2% of the Council's net budget and showed that the Council had kept expenditure within its means whilst still meeting priorities and performance standards. A query raised by the Chairman resulted in an error being identified in the table on page 15 and the Corporate Finance Manager explained that the efficiencies achieved in full or in part totalled £7.5m which was 84.4% of the total efficiencies included in the 2011/12 budget, not 88.5% as reported.

Paragraphs 3.08 to 3.12 gave a brief overview of the year and non standard inflation and central contingencies were detailed on page 16. The remaining Contingency Reserve of £0.992m was £0.578m more than the £0.414m estimated when the 2012/13 Council Fund revenue budget was approved by County Council at the meeting on 1 March 2012. Service balances were made up of those balances held by departments which had previously been agreed could be carried forward. The final balances were summarised in the table in paragraph 5.04.

On the HRA the final outturn for 2011/12 showed an underspend of £0.737m which represented an increase of £0.240m on the projected position reported at Month 11. The HRA showed a final closing balance of £1.857m which at 7.35% of the total expenditure more than satisfied the prudent approach of ensuring a minimum level of 3%. The final year end balance (subject to audit) was £0.753m greater than the £1.104m that was projected when the 2012/13 HRA budget was approved at the Council meeting on 21 February 2012. Appendix 8 detailed the reasons for significant variances to budget for the year.

Councillor H. Isherwood referred to page 26 and the entry for Management & Support (Development & Resources) and the identified overspend. The Corporate Finance Manager explained that it was mostly due to staff pay exceeding budget and included a request for a carry forward of balances into 2012/13 to fund the continuing work of the Transforming Social Services for Adults Project Manager (£0.051m).

Councillor P. Curtis queried the entry for car parks reported on page 30 and was advised by the Chief Executive that the car park review was ongoing

and that a report would be submitted to a future committee. In response to a query from Councillor M. Bateman, the Leader of the Council suggested that a written response be provided to Members giving further details on car parks including the amount of income received and the costs of providing them.

The Chairman commented on the Repairs and Maintenance Service reported on page 55 and in response the Corporate Finance Manager said that write offs on obsolete stores materials of £0.080m was a one off accounting adjustment in relation to the recent outsourcing of stores.

The Leader of the Council welcomed the underspend but reminded Members that this did not mean that there was extra money available to spend in their individual wards. He referred to the £1.500m to support Organisational Change costs in 2012/13 (approved in the Month 11 monitoring report) and said that it was important to prepare for forthcoming challenges such as the Welfare Reform Bill.

The Chairman welcomed the continuing reduction in spend on Out of County Placements over the last 12 months. Following a comment from Councillor P. Shotton on the £0.550m variance in Managed Weekly Collections and Recycling, the Chief Executive said that there had been two rounds of negotiation with the Trade Unions as part of the Streetscene Review with a delay in achieving the planned efficiency as a result. He saw this as a good example of working closely with the Unions.

Revenue Budget Monitoring 2012/13 (Month 2)

The Corporate Finance Manager introduced a report to provide Members with an update on revenue budget monitoring for the Council Fund and Housing Revenue Account (HRA) which would be submitted to Cabinet on 10 July 2012.

He highlighted that at this early stage in the financial year, projecting the outturn position on a number of budgets was challenging, particularly where they were demand led. Pressures that had been identified to date were reported and the Corporate Finance Manager explained that a detailed report for Month 3 would be submitted to this Committee and Cabinet in September 2012.

In response to a question from Councillor H. Isherwood, the Corporate Finance Manager said that pressures identified during 2011/12 within the budgets for Free School Meals and School Remissions were likely to continue due to the economic climate.

Capital Programme 2011/12 (Outturn)

The Corporate Finance Manager introduced a report to provide Members with the Capital Programme Outturn information for 2011/12 which would be submitted to Cabinet on 10 July 2012.

The report set out how the programme had changed during 2011/12 with the revised figures of final spend being £27.593m for Council Fund and £10.398m for Housing Revenue Account (HRA). Detailed cumulative information relating to each programme area was provided. The outturn across the whole

programme amounted to £37.991m, representing 90.99% of the revised budget total of £41.753m (56.65% as at the previous quarter and 69.59% at outturn 2010/11). A summary of the cumulative expenditure against cumulative budget outturn was shown. The value of 2011/12 rollover (Council Fund and HRA) at £7.762m represented a significant reduction of £5.267m on the equivalent 2010/11 figure of £13.029m.

In response to earlier questions from the Chairman, the Corporate Finance Manager referred the entry for Engineering (ZTE) and said that the underspend variance had been as a result of the timing of the scheme and had been rolled forward to early 2012/13. On the underspend for Industrial Units (ZTU) reported on page 92, he explained that the work had now taken place. Following a question from Councillor G.H. Bateman on the capital receipts (cumulative) actual against estimate detailed on page 77, the Corporate Finance Manager said that the figures had reduced significantly due to a number of factors which included rescheduling of the timing of anticipated receipts, revised values and some movement of potential disposals to/from the list.

RESOLVED:

- (a) That the reports be noted; and
- (b) That a written response be provided on car parks.

12. WORKFORCE INFORMATION QUARTER 4

The Head of Human Resources and Organisational Development introduced a report to provide Members with an update for the fourth quarter/whole year of 2011/12 the following areas:-

- Establishment
- Headcount
- Agency Workers
- Turnover
- Diversity
- Absence

The Head of Human Resources and Organisational Development said that the appendix was not attached to the report but had been placed in Member Services and was shown on the Council's website. The Leader of the Council said that Cabinet had made a decision to remove appendices from the reports submitted to Cabinet and that it was for Overview & Scrutiny Members to decide whether they wanted to follow this practice. Following a discussion, it was agreed that future reports would not include the appendix but that it would be available in the Members Library, on the Council's website and would be shown on the projector screen during discussion of the item at the meeting.

The report provided a breakdown of the average number of agency workers per month during quarter 4 and the associated expenditure. The number of positions occupied by agency workers had reduced month on month during the quarter. The Head of Human Resources and Organisational Development reminded Members that the European Union's Agency Worker Directive became

UK law on 1 October 2011 and was now known as the Agency Worker Regulations. The Council monitored the number of placements exceeding 12 weeks and where appropriate had taken steps to reduce those that exceeded this duration. She added that the next quarterly report would show a significant reduction due to the completion of the Streetscene Review which necessitated a temporary increase in resources.

The total saving for 2011/12 was £420,090.70 and was an overall increase of 17.25% on the savings of £358,271.48 made for 2010/11. The Head of Human Resources and Organisational Development highlighted paragraph 3.17 on sickness absence and explained that the amount of average Full Time Equivalent (FTE) days lost per employee had increased from 10.36 days in 10/11 to 10.54 days for 11/12 which was disappointing. She explained that improvements were being seen in some areas but that there were still issues within Environment and Community Services Directorates that were being addressed.

Councillor M. Bateman referred to the table on page 99 and queried why there was a high female to male ratio for the number of positions which had been made redundant. The Head of Human Resources and Organisational Development confirmed that the figures were reflective of the gender profile of the organisation which was 75% female and 25% male. Following a comment from Councillor Bateman on paragraph 3.21 about stress related absence, she queried whether some of the employees who were off with stress could be in the wrong role. The Head of Human Resources and Organisational Development said that it was important to highlight that there would be stress related issues that may result in absence. She added that there was a need to ensure that tools and techniques such as the use of Stress Risk Assessments were used appropriately to prevent employees from stress-related sickness absence. Councillor H. Isherwood asked about the sick pay policy for the authority and the Head of Human Resources and Organisational Development advised that when employees were off sick, full pay was paid for six months which reduced to half pay for a further six months and that this was for a rolling twelve month period. She explained that this was part of the national terms and conditions for local authority employees. The Chairman felt that there was a need to monitor sickness absences closely.

The Head of ICT and Customer Services reminded Members that 45% of staff had achieved 100% attendance during 2011/12 and added that employees in ICT & Customer Services had only taken an average of two days sickness per annum, so there were examples of good practice.

The Head of Human Resources and Organisational Development advised Members of the policies in place and of the trigger points for sickness absence. She said that work was ongoing with managers to ensure that the policies were followed and proactive interventions were put into place to reduce levels of sickness absence.

RESOLVED:

- (a) That the report be noted; and

- (b) That the statistical information be made available in the Members' Library, on the Council's website and on the screen during discussion of the item at the meeting.

13. QUARTER 4 AND YEAR END SERVICE PERFORMANCE REPORTS

The Member Engagement Manager introduced a report to request that the Committee consider the 2011/12 Quarter 4/Year End service performance reports, note the draft year end position of the Strategic Assessment of Risks and Challenges (SARC) contained within the performance reports and note progress made against the Improvement Targets contained within the performance reports.

Finance

The Corporate Finance Manager gave a short presentation on the performance within Finance, outlining work which had been undertaken to improve performance and areas where improvement was needed, as outlined within the report.

The Chairman referred to page 113 and said that the Medium Term Financial Strategy 2011-2015 had been adopted by the Council in June 2011 and not in June 2012 as indicated. He also queried why indicator CFH/006 on the percentage of undisputed invoices paid on time (30 days) was reported as 'red'. The Corporate Finance Manager said that the downturn in performance was disappointing and had been due to a number of issues which he detailed and these were currently being dealt with.

Human Resources and Organisational Development

The Head of Human Resources and Organisational Development gave a short presentation on the performance within Human Resources and Organisational Development, outlining work which had been undertaken to improve performance and areas where improvement was needed, as outlined within the report.

The Chairman asked whether appraisals were linked to Single Status and in response, the Head of Human Resources and Organisational Development said that on performance and competency there may be a link with Single Status in the way increments were awarded. Councillor H. Isherwood said that it was important that appraisals were undertaken and the Chairman felt that a way to ensure this was to include the requirement to carry them out in the manager's appraisal.

ICT and Customer Services

The Head of ICT and Customer Services gave a short presentation on the performance within ICT and Customer Services, outlining work which had been undertaken to improve performance and areas where improvement was needed, as outlined within the report.

Councillor M. Bateman queried why Members were no longer able to have mail sent to their Flintshire email address forwarded onto their private email addresses. The Head of ICT and Customer Services said that auto-forwarding of mail was not permitted under the IT security policy. This was because officers were confident that the Flintshire addresses were secure but could not guarantee security for private email boxes. He reminded Members that their own email address could be published alongside their Flintshire email address on the website and in the A-Z booklet.

Following a query from Councillor Bateman on procurement auctions, the Head of ICT and Customer Services said that significant savings had been achieved to date and that the extended use of e-auctions was being considered. He also spoke of work which was being undertaken on a Local Economic Impact Study.

Councillor H. Isherwood commented on difficulties she was having with navigating through the Flintshire website and the Head of ICT and Customer Services said that he would take the comments on board. He also provided details of the new Streetscene contact centre and the new arrangements which were in place.

Legal and Democratic Services

The Member Engagement Manager gave a short presentation on the performance within Legal and Democratic Services, outlining work which had been undertaken to improve performance and areas where improvement was needed, as outlined within the report.

Following a question from Councillor M. Bateman, the Member Engagement Manager explained that the Regulation of Investigatory Powers Act (RIPA) covered any form of covert surveillance by public bodies and was not just, as the media sometimes suggested, solely anti-terrorism legislation.

The Member Engagement Manager indicated that quarterly performance reports had been submitted to a meeting of Social and Health Care Overview & Scrutiny earlier in the week. They had commented that they felt that the format was repetitive particularly on Disabled Facilities Grants which appeared three times in the report.

RESOLVED:

That the reports be received.

14. FORWARD WORK PROGRAMME

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

He suggested that he meet with the Chairman and Vice-Chairman to populate the Forward Work Programme for the future meetings.

RESOLVED:

That the Member Engagement Manager and the Chairman and Vice-Chairman populate the Forward Work Programme for the future meetings.

15. DURATION OF MEETING

The meeting commenced at 10.00 a.m. and ended at 12.54 p.m.

16. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

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

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Chairman