

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
11 OCTOBER 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, 11 October 2012

PRESENT: **Councillor Clive Carver (Vice Chairman in the chair)**

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

SUBSTITUTES:

Councillor Carolyn Thomas for Patrick Heesom

ALSO PRESENT:

Councillors Bernie Attridge and Kevin Jones attended as observers

APOLOGIES:

Chief Executive, Head of Finance, Councillors Richard Jones, Trefor Howorth and Richard Lloyd.

CONTRIBUTORS:

Leader of the Council and Cabinet Member for Finance, Cabinet Member for Corporate Management, Director of Environment, 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

30. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

31. MINUTES

The minutes of the meeting of the Committee held on 13 September 2012 had been circulated to Members with the agenda.

Matters Arising

Councillor P.J. Curtis referred to page 7 of the minutes, and asked why the slide in the pool at Holywell Leisure Centre had been allowed to fall into a state of disrepair and asked if all leisure centres were closed on Bank Holidays. The Member Engagement Manager agreed to seek a written response for Councillor Curtis. The Leader of the Council said that whilst Flintshire Leisure Centres were currently closed on Bank Holidays, this was currently under review.

RESOLVED:

- (a) That the minutes be approved as a correct record and signed by the Chairman; and

- (b) That the Member Engagement Manager seek a written response for Councillor P. Curtis regarding the Holywell Leisure Centre.

32. REVENUE BUDGET MONITORING 2012/13(MONTH 4) AND CAPITAL PROGRAMME 2012/13 (QUARTER 1)

The Corporate Finance Manager introduced a report on the Revenue Budget Monitoring 2012/13 position for Council Fund and Housing Revenue Account (at Month 4) which was to be presented to Cabinet on 16 October 2012. He reported a projected overspend on the Council Fund of £1.028m and a projected underspend of £0.052m on the Housing Revenue Account. He highlighted the individual position of the directorates on page 14.

The Corporate Finance Manager highlighted that it was Management's intention to contain the Council Fund projected overspend within the overall approved budget. He also highlighted the risks and assumptions associated with the projection at point 3.05.

An allocation of £0.707m for Non standard inflation has been set aside in the budget to cover Energy, Fuel and Food and current projections indicated that these amounts would be required in full.

Based on the current projection the level of contingency reserve at the end of the financial year would be £0.397m, however as stated previously it was Management's intention to bring expenditure back in line with budget by the end of 2012/13. The HRA position was reported as a projected under spend of £0.052m which would result in a closing balance for 2012/13 of £1.6 m, which at 6% of total expenditure satisfied the target of ensuring a minimum level of 3%. The Corporate Finance Manager reported an additional allocation of £0.250m from balances to fund additional CERA contribution towards funding of the HRA Capital Programme.

Councillor G.H. Bateman asked for more detail about the efficiencies that would be explored in the Medium Term Financial Plan on point 3.04 on page14. The Leader of the Council in response, said that the Head of ICT and Customer Services would address this in his Flintshire Futures report. The Leader of the Council advised that the Council faced a number of challenges, such as the Leisure Services overspend, Welfare Reform and the cost of out of county places. The Leader urged members to attend the Welfare Reform workshop arranged for 12 November 2012 as it would impact heavily on the Council budget.

Councillor G.H. Bateman asked for more detail about the possible impact of Single Status on the Housing Revenue Account. The Corporate Finance Manager in response said that any change in the cost base would need to be built into the Housing Revenue Account.

Councillor C.A. Thomas asked if the increase in admission charges to leisure centres had contributed to a drop in admissions. The Leader of the Council in response said that the Lifelong learning action plan would address the impact on the budget. Councillor Thomas asked why the school music service

had overspent by £102,000 despite the introduction of charges. The Leader of the Council said that an officer working group would look at the in-year overspend. The Corporate Finance Manager said that he would send details of the membership of the working group and details of the budget to Councillor Thomas. Councillor C. Thomas asked if measures had been taken to reduce postage charges and if lower quality paper could be used to print documents. The Head of ICT and Customer Services said that lower grade paper had been used previously by the Council, but had not been well received, as it had a tendency to cause jams in printers and photocopiers. He said that he would look at the option of a single paper contract for the whole of the council. The Head of ICT and Customer Services said greater use of IT could help reduce the amount of documents posted out and that he was reviewing the postage services and investigating alternative providers.

Councillor G.H. Bateman asked for more information about the £0.035m movement on the Council's share of the Clwyd Pension fund deficit. The Corporate Finance Manager explained that this relates to a current projected shortfall in superannuation contributions compared to the agreed payments to the Clwyd Pension Fund. Councillor Bateman asked for more information about the £0.039m deficit at the indoor market in Mold. The Corporate Finance Manager said that he would forward information about Mold Market to Councillor Bateman after the meeting.

Councillor R.G. Hampson asked if money had been set aside to cushion the impact of Welfare Reform. The Leader replied that a Welfare Reform Board had been set up which included all political group leaders. He said that early discussions had centred on how to identify affected tenants and ways to mitigate benefit cuts.

Councillor M. Bateman asked if the Council could consider sharing a Chief Executive with a neighbouring authority. The Leader of the Council said that the Chief Executive was a valuable asset to the Council. He said that the Welsh Government had advised that shared senior posts could be considered by local authorities as and when posts became vacant.

The Chair asked if the Council would request funds from central government to assist with an increase freeze on council tax. The Leader of the Council said he would issue a response to the Local Government Draft Settlement, due 16 October 2012 and would try to get the best settlement possible.

Councillor G.H. Bateman asked if a breakdown of recycling income could be produced. The Director of Environment said that recycling income was used to offset the costs of the service and that he would prepare a report for the Environment Overview and Scrutiny Committee.

Councillor P.J. Curtis asked if waste collections from shops could be carried out after 9 am when the shops were open. The Chair said that this should be directed to Environment Overview and Scrutiny Committee.

CAPITAL PROGRAMME 2012/13 QUARTER 1

The Corporate Finance Manager introduced a report on the Capital Programme 2012/13 for Quarter 1. He reported that the original programme total of £33.223 million had now increased to £40.770 million, being £29.882m for the Council Fund and £10.888m for the Housing Revenue Account. The Corporate Finance Manager reported that recorded capital expenditure to date stood at £3.3 million at Quarter 1, which represented 8% of the projected level of expenditure at this stage.

The table on page 41 also showed a comparison of spend against profiled budget (the amount expected to have spent at this stage of the financial year) and as detailed in 3.05.2 80.96% of the profiled budget has currently been spent. Appendix C provided information on the reasons for some of the variances that are occurring and the actions being taken to address them. The cumulative position by directorate was also displayed in chart form on page 42.

Section 3.06 provided an update on how all of the revised programme will be financed by way of general and specific funding.

RESOLVED:

- (a) That the report be noted;
- (b) That a request be prepared for the Environment Overview and Scrutiny Committee on the income received from recycling; and
- (c) That the Member Engagement Manager provide members with the additional information identified in the body of the minutes.

33. FLINTSHIRE FUTURES MID YEAR REVIEW

The Head of ICT and Customer Services introduced a mid year progress report on Flintshire Futures, the corporate programme for modernisation and change. He said that there was a Flintshire Futures Programme Board with Member representation which included the Leader, Deputy Leader, Cabinet Member for Corporate Management and the Chair of Corporate Resources Overview and Scrutiny Committee. The primary focus of the Programme was to deliver efficiencies through Corporate Change, Service Change, Regional Collaboration and Local County Collaboration.

The Head of ICT and Customer Services said that the recent work had focussed mainly on Corporate Change projects in 5 workstreams, customer, procurement, assets, work force and finance and that there was a lead officer for each area. He went on to explain that lead officers would attend subsequent meetings to report on the individual work programmes. The "customer" projects involved the Flintshire Connects service, the first of which was due to open at the end of October in Holywell. He added that a report would be considered by Cabinet shortly on plans for future centres across Flintshire. The Head of ICT and Customer Services said that the Streetscene contact centre service had been very popular and that he hoped it would be developed to cover other service areas. The other priority was promotion of customer self service on the

web. He cited the success of the “doggy do app” which had around 1000 downloads and that there were plans to extend the facility to cover other council services. The Head of ICT and Customer Services then spoke about the £1 billion assets owned by the council, with office accommodation costing £1.75 million per annum to run. He said that rationalisation was needed and that office space could be potentially reduced by 50% if we radically changed the way we worked.

With regard to procurement about £150 million was spent on goods and services each year and that currently there were 44,000 suppliers. There was a need to negotiate more effectively, on a regional and national level. The electronic procurement system P2P would be in use by all departments by the end of March 2013.

The Head of ICT and Customer Service then spoke about maximisation of income and management of debt and modernisation of internal processes. He said that some work would be linked to fees and charges and some linked to the budget process. Progress on the workforce work stream had already delivered an excess of £4 million in savings from senior management restructure and service reviews. The programme would now look at reduction of management costs and organisational layers to reinvest into front line services as well as preparing staff for change. The I-Trent system had allowed staff to manage their own personal details and expenses electronically. The use of interim staff and consultants is currently under review.

The Leader of the Council thanked the Head of ICT and Customer Services and all the other officers involved in Flintshire Futures. He said that the Programme was a first line in defence to the forthcoming cuts and that the Programme needed to be developed further. The Leader welcomed the inclusion of Councillor R.B. Jones on the board as he considered member input to be important. He went on to explain that any new civic centre premises would have to deliver considerable savings. There would be benefits from national procurement, but there was a need to ensure a balance of local suppliers. The Leader of the Council concluded that many local authorities were conducting programmes similar to Flintshire Futures and that some employed consultants to do the work. He added that it was very positive to see this work done in-house.

Councillor C.A. Thomas said that this was a very big project and recognised that it was important that it was communicated to people why savings were necessary. Councillor Thomas said that she had been unaware of the relocation of the Leisure Services to Deeside and had approached the Director for information. She added that departments needed to work smarter and gave the example of invoice delays in a department which now invoiced customers and the amount of time spent on Job Evaluation Questionnaires. The Leader said that full council support was needed for change and an understanding of the consequences if they did not support change. The relocation of Leisure services had not been communicated well and it was hoped that regular updates from the board will avoid any reoccurrences. Councillor Thomas said that she hoped the changes were about value for money and not just efficiency. The Head of Human Resources and Organisational Development said that there had been moves to improve the Job Evaluation process by the use of a lighter touch with less resources but still equality proof and evidence based.

Councillor R.G. Hampson asked how quickly assets, such as Canton Depot, could be sold to raise capital. The Head of ICT and Corporate Strategy said that the market conditions had to be considered and that there was an asset disposal plan in place.

Councillor I. Dunbar said that the Flintshire Connects office was a welcome addition to Holywell town centre. He said that similar offices needed to be set up in towns in deprived areas, such as Deeside as soon as possible. The Head of ICT and Customer Services said that local area need was taken into consideration and that an options appraisal on sites in Deeside would be undertaken shortly, with further information available in the next few months.

Councillor P.J. Curtis said that good communication was key to success. Councillor Curtis said that he was due to visit the Flintshire Connects office in Holywell the following day and would find out if the Town Council would consider moving into the premises. Councillor Curtis said that the issue of car parking charges needed to be resolved. The Leader of the Council said that the issue needed further discussion in the budget.

Councillor P. Shotton said that the roll out of the apps had been a success. The Head of ICT and Customer Services said that the Council were looking to extend the app service to report faults and had already seen a few providers who could offer such a service. The Head of ICT and Customer Services said that sufficient levels of staff in the back office would be needed to deal with the likely increase in enquiries.

The Chair said that if people used apps to report faults, such as street lighting, it would save residents contacting the council by telephone or face to face with the resulting saving in staff time.

The Leader of the Council said that office space needed to be rationalised, but the market conditions were not favourable. Councillor P. Shotton said that he had been surprised to learn that the Council had such a large number of suppliers and asked about progress in the reduction of the use of consultants. The Head of ICT and Corporate Services in response said that suppliers should not be on the system if they did not have a corporate contract, and that they were being challenged. He said that control mechanisms had now been put in place to minimise the use of consultants which involved business cases, clear objectives and director sign off. The Head of Human Resources and Organisational Development explained that the Consultants and Interims project, under the Workforce Workstream of Flintshire Futures, had established a joint project team comprising HR, Audit, Procurement and Senior Management. The first priority was to scrutinise existing consultancy expenditure and agree where immediate savings might be made, including how rates were to be negotiated in the future.

RESOLVED:

- (a) That the report be noted; and

- (b) That the five work streams (Assets, Customers, Finance, Procurement and Workforce) become the subject of separate reports to future meetings of the Committee.

34. WORKFORCE INFORMATION QUARTER 1

The Head of Human Resources and Organisational Development introduced a work force report for the first quarter of 2012/13.

The Head of Human Resources and Organisational Development highlighted trends and commented on exceptions. She reported that there had been a significant reduction in the use of agency workers due to the recruitment of staff in street scene and that there had been a reduction of agency workers in Community Services. There had been a reduction in the use of agency staff for 12 weeks or more during the last quarter. In all, there had been a 34% reduction in the use of agency staff when compared with the same quarter last year.

The Head of Human Resources and Organisational Development reported that there had been 21 early retirements from January to June all due to redundancy which had cost £844,000. She reported that the first quarter's absence levels had increased in comparison with the same period the previous year and that the target of 2.30 days per FTE for quarter one had not been achieved, with the actual figure at 2.64 days. Delays in paper work being received from managers to notify HR of employees returning to work was a contributory factor to the target not being met. This would be reflected by a decrease in sickness absence for this quarter when the workforce information reports were generated for quarter 3 as this occurs every quarter. With regards to 100% attendance, during the first quarter of 2012, 75% or 6300 employees had achieved this. The Head of Human Resources and Organisational Development said that attendance was a priority for the council and performance was not at the expected level. She said that specific service areas had higher levels absence and that trends and themes would need to be investigated. The Head of Human Resources and Organisational Development reported that absence rates for Adult Social Services had risen, and it was likely that there were many absences which were as a result of musculoskeletal issues. A pilot physiotherapy scheme for Streetscene staff had been set up in conjunction with Occupational Health and extending the pilot to employees in Adult Social Services was being considered. She stressed that potential recipients had to undertake a thorough medical assessment by Occupational Health in order to access the service. A report would be submitted to committee after the first six months of operation in order to evaluate its effectiveness. Performance had improved in Lifelong Learning and noted that 25% of absences were in Catering, Cleaning and Facilities Services. She reported that overall performance in schools was good. The Head of Human Resources and Organisational Development concluded her report by saying that Flintshire sickness absence levels over recent years have been at or below the average for all Welsh local authorities and that she wanted to see performance improve in this area.

Councillor P.J. Curtis said that improving performance was difficult given the wide range of jobs within the council. Councillor Curtis said that even the highest performing directorate in terms of 100 % attendance by 81% of staff for quarter 1 was not good enough. He said that the slow return of paper work

should be addressed. The Head of Human Resources and Organisational Development said that she shared his concerns and would like to see improvement. She said that the forthcoming introduction of I-Trent manager self service project would allow managers to complete absence administration electronically and that the system would quickly highlight managers that did not complete records on time.

Councillor P. Shotton said that it was a good report and was pleased that the pilot physiotherapy project had been rolled out, whilst Councillor I Dunbar asked about authorisation for the physiotherapy service. The Head of Human Resources and Organisational Development said that the service was managed by the Occupational Health team and referrals were carefully assessed by Occupational Health practitioners.

Councillor M. Bateman asked if there were any incentives for attendance improvement, if sickness was reported from day one and if there were any trends with types of sickness. The Head of Human Resources and Organisational Development said that it would be inappropriate to offer any incentives (in terms of financial incentives) but that renewed focus on improving health and well-being of employees was being considered as a proactive measure. The Head of Human Resources and Organisational Development confirmed that absence was measured from Day 1 and that absences over 20 days became long term absence. She said that she would look at offering additional information on long term and short term absence in the next report. The Head of ICT and Customer Services said that managers had an integral role to play in attendance management.

The Chair asked if there were any members of staff with underlying, ongoing conditions or disabilities who were absent due to regular medical treatments. The Head of Human Resources and Organisational Development said that reasonable adjustments were made for persons with specific conditions to help them remain in the work place. One such adjustment was time off to attend appointments which would not be classed as an absence.

Councillor A. Woolley asked if there had been any major changes in head count and asked for the total number of F.T.E. staff. The Head of Human Resources and Organisational Development said that she would provide him a written response on current head count. Councillor Woolley asked about the number of equal pay claims against the council. The Head of Human Resources and Organisational Development said that there were currently 500 claims for equal pay which would be dealt with by Single Status and the settlement strategy.

Councillor R.G. Hampson asked about the procedure for reporting absence. The Head of Human Resources and Organisational Development said that a member of staff must ring their manager themselves on the first day of absence and on their day of return, they would have a return to work interview with their manager which could highlight any underlying issues.

The Chair asked if any managers had poor attendance records. The Head of Human Resources and Organisational Development said that there could possibly be such managers and hoped they were a very small minority. She added that attendance management trends would be picked up at every level.

Councillor G. H. Bateman asked if applicants could be given a medical as part of the application process and if temporary staff had to be used to cover absences. The Head of Human Resources and Organisational Development said that every employee had to undergo medical clearance and if there were any issues further checks would be made. The Head of Human Resources and Organisational Development said that most of the time the work of an absent colleague was absorbed by their team, but in some areas this was not manageable, and temporary workers could be employed.

RESOLVED:

- (a) That the report be noted; and
- (b) That a report be submitted to the committee after the physiotherapy pilot has been running for six months to ascertain its effectiveness.

35. FORWARD WORK PROGRAMME

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

The Member Engagement Manager advised the Committee that there was an addition to the Work Programme, a work shop on 12 November 2012 on Welfare Reform in the Clwyd Room and that a date had not yet been set for the Capital Programme briefing, although it was envisaged it would be held in late November.

During earlier discussions it had been agreed that that the Work Programme be amended to include reports on the following be submitted to future Committee meetings:-

- 1. The Five Flintshire Futures themes
- 2. The cost benefits of agile working.

It was agreed by the Committee that members of the Environment Overview and Scrutiny Committee be invited to participate in the meeting when the Assets work stream was considered.

RESOLVED:

- (a) That the Forward Work Programme be amended to include items relating to the Five Flintshire Futures themes and an item on the cost benefits of agile working; and
- (b) That members of the Environment Overview and Scrutiny Committee be invited to participate in the meeting when the Assets work stream is considered.

36. **DURATION OF MEETING**

The meeting commenced at 10.00 a.m. and ended at 12.35 p.m.

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

There were two members of the public or press in attendance.

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Chairman