

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
13 JUNE 2013

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held at Delyn Committee Room, County Hall, Mold CH7 6NA on Thursday, 13 June 2013

PRESENT: Councillor Tim Newhouse (Chairman)

Councillors: Haydn Bateman, Marion Bateman, Clive Carver, Peter Curtis, Ron Hampson, Patrick Heesom, Richard Lloyd, Mike Lowe, Paul Shotton, Ian Smith and Arnold Woolley

SUBSTITUTES:

Councillors: Alex Aldridge for Ian Dunbar and Ron Davies for Trefor Howorth

APOLOGIES:

Councillor Richard Jones
Chief Executive

ALSO PRESENT:

Councillors: Bernie Attridge and Kevin Jones

CONTRIBUTORS:

Leader of the Council, Cabinet Member for Corporate Management, Head of Finance and Head of ICT and Customer Services
Corporate Finance Manager for minute number 11
Head of Human Resources and Organisational Development for minute numbers 13 and 14
Head of Legal and Democratic Services for minute number 14

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 16 May 2013 had been circulated to Members with the agenda.

Councillor Patrick Heesom referred to the third paragraph on page 3 about consideration being given to the reinstatement of the Winter Maintenance reserves. The Leader of the Council responded that part of an underspend for the previous financial year had been set aside for winter maintenance and more detail would be provided in the final outturn report which would be submitted to the Committee in July 2013. He said that it was important to have reserves for winter maintenance and added that consideration was being given to reinstatement of the reserves.

In response to a query from Councillor Paul Shotton on whether a response had been received from Welsh Government on the application for costs by Streetscene during the severe weather, the Corporate Finance Manager said that an update had not yet been received.

Councillor Heesom queried when a report would be considered by the Committee on the Medium Term Financial Plan and was advised by the Leader of the Council that a report was being submitted to the next meeting of Cabinet and would also be considered at the 11 July 2013 meeting of this Committee.

RESOLVED:

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

10. WALES AUDIT OFFICE ANNUAL IMPROVEMENT REPORT

The Head of ICT and Customer Services introduced a report for Members to receive the Council's Annual Improvement Report 2012 as published by the Auditor General for Wales and to note the Council's response.

The Head of ICT and Customer Services detailed the background to the report explaining that this was the third Annual Improvement Report for Flintshire and that it had been submitted to Cabinet and the Audit Committee for consideration. The Wales Audit Office had indicated that this was a most encouraging report for Flintshire County Council. It built on work undertaken and was made up of three sections which covered the Council's delivery and evaluation of services in relation to 2011/12 and its planning of improvement for 2012/13. The Auditor General had made no formal recommendations or proposals for improvement and the Cabinet response to the report was included as appendix 2. The Head of ICT and Customer Services highlighted areas of the report on Education and Housing and the recognition of progress made on previous recommendations on Corporate work such as Flintshire Futures. Overall it was a positive Improvement report but there was still more work to be undertaken in some areas.

The Leader of the Council said that the report had been received positively at the Audit Committee meeting. He welcomed the report and the fact that it did not contain any formal recommendations or areas of concern. He referred to paragraph 33 on the issue of Flintshire County Council forecasting that only 26 of its homes would fully comply with the Welsh Housing Quality Standard (WHQS) by 2020. He explained that this had been the position at the point of transfer and now a business plan was in place to meet the WHQS for all of Flintshire's Council housing by 2022 without borrowing which was a significant improvement. The Leader said that work was ongoing to amend the Council's priorities as they were not been changed in 2012 due to the new administration being in place so soon after the priorities had been set. He intended to address the issues raised in paragraph 72 about the presentation and content of the Plan to ensure that it was easy for residents to understand.

Councillor Paul Shotton welcomed the report highlighting in particular the WHQS being met by 2022. Councillor Patrick Heesom said that the report highlighted a number of issues such as single status and waste. He commented

on the Estyn Inspection report which had been undertaken in February 2013 and which had identified that six of the seven recommendations had been partly or largely met with only one being fully met. Councillor Heesom referred to the issue of economic development and town centre plans which he said were not joined up with the masterplans which were in place. He suggested that a more corporate approach to the issue was needed and spoke of the need to move on from the Medium Term Financial Plan to something based on unit costs and unit budgeting.

Councillor Clive Carver queried the five non affiliated Members shown on appendix 2 and the Leader of the Council provided an explanation of the Members it referred to. Councillor Ron Hampson welcomed the report highlighting in particular the performance of Housing and the provision of the WHQS by 2022. He said that over the next three to four years, several of the Council's housing would be up to a good standard following the provision of new bathrooms, kitchens, windows etc.

Councillor Alex Aldridge compared the report to that received by other authorities and said that this was a pleasing report as it did not contain any recommendations. He spoke of the challenges ahead which included a public service review and commented on economic development in Flintshire and regeneration in Flint which he thanked officers for. On the issue of key performance indicators he said that it was an internal document but what mattered most to residents was how Flintshire County Council conducted its business. He welcomed the fair, reasonable and balanced report.

RESOLVED:

That the report be noted.

11. REVENUE BUDGET MONITORING 2012/13 (MONTH 12)

The Leader of the Council commented on the projected year end net underspend of £4.313m which was a considerable movement from the £2.334m underspend at Month 11. He welcomed the budget approach which had been taken for 2013/14 and he recognised the financial challenges but he raised concern about the timing of how the underspend had been reported and how it had increased significantly in Month 12. He and the other Cabinet Members had requested that action be taken to understand how the level of the underspend had occurred. He said that it may be as a result of planned reductions or due to the receipt of grant funding and he also queried whether different decisions would have been made if the underspend had been noticed earlier. The Leader commented on the need to protect frontline services for the future and explained that work would be ongoing on the Medium Term Financial Plan (MTFP). He spoke of the challenges which faced the Council which included a currently projected funding gap of £8.5m for the financial year 2014/15 which increased to £28.5m for 2018/19. The Leader also spoke of the need to make provision for the Single Status Agreement and that any policy decisions on the Schools Funding Formula would add to these figures. He said that some of the challenges were unknown and he commented on the announcement by the Chancellor earlier in the year of the switch from revenue to capital funding for some areas at UK level and the implications it had for local government funding.

Other issues which were of concern included the challenges of homelessness, Welfare Reform and winter maintenance. He hoped that the utilisation of the underspend would form a large element of the discussions and deliberations of the MTFP.

The Head of Finance agreed with the comments made and said that a report on the MTFP would be submitted to the next meeting of Cabinet and to the 11 July 2013 meeting of this Committee. She explained that 80% of Council's funding was from the Government and therefore there was a significant impact if this was reduced. The Month 12 Revenue Budget Monitoring Report had highlighted the need for tighter financial controls, forecasting and financial reporting and discussions on this were being undertaken with the Corporate Management Team to make positive improvements. Work was being undertaken to look at the impact of the underspend in 2012/13 on the 2013/14 budget and what additional choice could be generated for 2013/14 onto the MTFP for 2014/15 and beyond.

The Corporate Finance Manager introduced the report to provide Members with the detail of the Revenue Budget Monitoring 2012/13 (Month 12) information for the Council Fund and the Housing Revenue Account in 2012/13.

For Council Fund there was a projected year end underspend of £4.313m, which was an increase of £1.979m on the £2.334m underspend reported at Month 11 and appendix 1 showed a summary of the movements from Month 11. The table on page 60 showed the analysed the variances by directorate and showed underspends for all directorates except Lifelong Learning, which showed a minor overspend.

Paragraphs 3.06 to 3.09 provided further detail on the movements and the risks and assumptions associated with the projection were reported in paragraph 3.11.

Requests for carry forward for ICT and Flintshire Futures were detailed in paragraphs 3.12 and 3.13 and were being recommended to Cabinet.

The amounts allocated for non-standard inflation were reported and the Corporate Finance Manager advised that the final position would show an unallocated amount of £0.072m.

Appendix 7 provided details on the movements on unearmarked reserves, which, after taking into account the current projection and previously committed amounts left a projected level of Contingency Reserves at 31 March 2013 of £3.493m.

The Corporate Finance Manager also advised of a projected underspend of £1.047m on the Housing Revenue Account which was an increase of £0.473m from the net underspend reported at Month 11. Details of the variances were provided in appendix 8. A projected closing balance at Month 12 of £1.902m was reported, which at 6.9% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%. The Corporate Finance Manager added that £0.329m of the underspend had been committed for specific items in 2013/14.

Councillor Alex Aldridge accepted the report but commented on the significant financial challenges ahead. He felt that the underspend could cause comments from Councillors about the aspirations for residents in their wards. Councillor Patrick Heesom raised concern about the underspend and said that it was not the fault of the Leader but was a consequence of the management system. He reiterated his earlier concerns that the MTFP should not be the financial structure that the authority was working to. He added that some departmental service plans duplicated issues and that work should be undertaken to review the plans.

In response to the comments made, the Leader said that it was important to understand how the underspend had occurred and work was being undertaken on this. He reiterated his earlier comment about whether the underspend could have been identified and reported sooner. He welcomed the fact that efficiencies were being made without reducing services and he said that it was a positive position to be in. The Cabinet Member for Corporate Management echoed the comments of the Leader but added that it was important to learn lessons from the situation.

Councillor Marion Bateman said that the Head of Finance had agreed to provide further information on additional superannuation costs but the information had not yet been received. The Head of Finance advised that she would provide the requested information as soon as possible.

RESOLVED:

- (a) That the report be noted; and
- (b) That the Head of Finance provide further information to Councillor Marion Bateman on additional superannuation costs.

12. FINANCE AS A FLINTSHIRE FUTURES WORKSTREAM

The Head of Finance introduced a report to provide an update on the Finance Workstream within the Flintshire Futures Programme.

The Head of Finance detailed the background to the report and explained that the report provided information on progress made on the various projects within the Finance workstream. Several issues around the aspects within the workstream had developed significantly and were being built into the wider organisational change programme. The work undertaken on the four areas of the workstream were detailed in the report and the Head of Finance reminded Members that the areas were of a corporate nature and extended beyond the Finance directorate. New and innovative approaches were being taken to identify ways of funding key capital priorities and a Member-officer board was to be established with the first meeting to be held in June/July 2013 which would consider a wide range of options. She added that the Capital Programme review would inform the development of a capital strategy. Significant progress had been made in identifying efficiencies and cost effective internal processes and these were detailed in the report however the work on internal charging processes was yet to be planned. Stretching existing finance programmes included Invest to Save and income maximisation which had included the

introduction of new fees and charges in areas where the Council had not previously done so. Significant progress had been made in the area of Corporate Debt with the introduction of the Corporate Debt Policy followed by the Fair Debt Policy. The objective of the Value for Money Strategy was to develop a strategic programme which would enable the Council to be clear about the relative cost and performance of its range of services. The Head of Finance concluded that this was a significant piece of work.

Councillor Patrick Heesom welcomed the report and said that there was a need to get the balance right and that the workstream highlighted the concerns raised on the issue of recharging between departments. He also raised concern about the future funding of public services and he hoped that the local authority could offer a platform to allow the protection of those services.

The Leader of the Council responded that it was a multi-faceted approach and that each area of the workstreams would be debated and discussed but he reminded Members of the difficult and challenging times ahead. He said that the Finance Workstream was not just about efficiencies but was about building growth too and added that capital was under extreme pressure. The Leader referred Members to paragraph 3.04 where it was reported that a specific piece of work to look at possible ways to fund affordable housing was due to be reported to Cabinet in July 2013 and spoke of the aspiration of providing new council housing. He commented on the need to provide growth and social needs and indicated that a report on the issue would be submitted to a future meeting of Cabinet.

Councillor Arnold Woolley referred to the challenging review of base budgets in paragraph 3.15 and asked whether the budget process had been based on a base budget or an annual incremental calculation. The Head of Finance responded that it was a mixture of both adding that there was not a zero based approach for each aspect of the budget but that it was important to have an ongoing challenging review of budgets.

Councillor Paul Shotton welcomed the high collection rate of monies owed to the Council for business rates and looked forward to the development of the Value for Money Strategy.

Councillor Alex Aldridge raised concern about the practice to recharge departments within the Council for work undertaken by other parts of the authority. He welcomed the report as a vehicle for moving forward but commented on the issue of sustainability of provision of services and spoke of the significant challenges ahead.

RESOLVED:

That the report be noted.

13. WORKFORCE INFORMATION QUARTER 4 - JANUARY-MARCH 2013

The Head of Human Resources and Organisational Development introduced a report to provide Members with an update for the fourth quarter/whole year 2012/13 on the following areas:-

- Establishment
- Headcount
- Agency
- Early Retirements (first and third quarter reports only)
- Turnover
- Diversity
- Absence

It was reported that the number of placements for Agency Workers had steadily decreased throughout the period and a table at paragraph 3.04 compared the number of placements for the whole year 2011/12 and 2012/13. At 31 March 2013 120 placements were active which was a decrease of 40% for the same period in the previous financial year and there was also a decrease of 33% in the number of placements over 12 weeks when compared to the figures for March 2012. It was reported that a total saving of £307,110.64 had been made for the financial year 2012/13 but it was expected that this would decrease over forthcoming years.

On the issue of sickness absence the Head of Human Resources and Organisational Development explained that the table on page 120 showed the figures for 2008/09 to 2012/13 and included an increase in sickness absence to 11.03 Full Time Equivalent (FTE) days lost per employee for 2012/13. This had resulted in a red RAG status in the performance data included later in the agenda. The Head of Human Resources and Organisational Development advised that she would submit a report on attendance management to the 11 July 2013 meeting of the Committee which would provide details of the interventions in place. She advised that there were some areas that were performing well but that there were also some areas where the sickness level was higher than expected. For the fourth quarter 70% of staff had a 100% attendance record which was a slight improvement on the previous quarter however the figure was only 41% for the whole year. Attendance by directorate had been provided for 2011/12 and 2012/13 along with a breakdown by service area within each of the directorates for the four quarters and whole year 2012/13. It was important to understand the causes of absence and the Head of Human Resources and Organisational Development advised that additional categories of absence had been implemented to reduce the number of sickness absences classified as 'other'.

Councillor Alex Aldridge queried whether the policy allowed employees to take a days holiday in place of a days sickness. Councillor Peter Curtis said that he could not condone annual leave being used to mask sickness. The Head of Human Resources and Organisational Development responded that this could mask a particular issue or problem but added that there was a need for flexibility. Councillor Aldridge said that some individuals displayed patterns of absence on certain days and he felt that flexibility could help in reducing sickness levels. The Cabinet Member for Corporate Management appreciated the initiative suggested by Councillor Aldridge but said that it may be an opportunity to not undertake management responsibilities and added that there was a need to assess recurring sickness levels.

Councillor Patrick Heesom queried the costs associated with the 120 agency staff placements as he felt that they appeared to be high. The Head of Human Resources and Organisational Development advised she would obtain further information on agency staff placements for Councillor Heesom. Councillor Clive Carver queried whether relief/school supply staff were classed as agency staff. The Head of Human Resources and Organisational Development responded that they were not and she provided further information on relief/school supply staff and explained the differences in the figures for headcount and establishment.

Councillor Paul Shotton welcomed the reduction of the agency staff placements and queried whether the Physiotherapy pilot undertaken in Streetscene had been rolled out across the authority. He also congratulated the 70% of staff who had achieved 100% attendance for the final quarter of 2012/13. The Head of Human Resources and Organisational Development explained that a report on the Physiotherapy pilot would be submitted to the 11 July 2013 meeting of the Committee. The scheme had been successful and there was now a need to evaluate how to roll out the project.

Councillor Arnold Woolley queried whether a letter or certificate was issued to staff who had 100% attendance. The Head of Human Resources and Organisational Development responded that this was piloted in the Housing department but that it had not been rolled out consistently across other services. Councillor Woolley also queried the figures in the report compared to the workforce information data which was available in the Members' Library as there appeared to be a difference of 195 people. The Head of Human Resources and Organisational Development agreed to look at the figures and respond to Councillor Woolley.

RESOLVED:

- (a) That the report be noted;
- (b) That a report on attendance management be submitted to the 11 July 2013 meeting of the Committee;
- (c) That the Head of Human Resources and Organisational Development provide further information to Councillor Patrick Heesom on agency staff figures and to Councillor Arnold Woolley on a discrepancy in the headcount figures.

14. QUARTER 4 AND YEAR END SERVICE PERFORMANCE REPORTS

The Chairman introduced a report to request that the Committee consider the 2012/13 Quarter 4/Year End service performance reports, note the draft year end position of the Strategic Assessment of Risks and Challenges (SARC) and note the performance made against the Improvement Targets contained within the performance report.

Finance

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

Councillor Paul Shotton referred to the section on Welfare Reform and welcomed the work which had been undertaken by the authority.

In referring to the SARC document, Councillor Alex Aldridge raised concern about the relationship with the Local Health Board & Public & Primary Health. He commended the work of the Chief Executive on the issue which included offering assistance from the authority to the Health Board to identify possible areas of land for the siting of a health centre in Flint.

Human Resources and Organisational Development

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

Councillor Patrick Heesom queried the amount which had been set aside for Single Status. The Head of Human Resources and Organisational Development responded that approximately £25m was available as a reserve for Single Status and the settlement of Equal Pay claims. She explained that work was still ongoing on both issues with senior officers and Trade Unions. As stated in the update, the Part 3 (terms and conditions) had been provisionally agreed with the Trade Unions but final work on the design of the pay and grading structure was currently being undertaken.

On the performance indicator for appraisals, the Head of Human Resources and Organisational Development advised that the figure for Corporate Services should read 58% and not 38% as reported. There were a number of issues relating to capturing the data for completed appraisals but the work which had been undertaken to date was encouraging and the issues were being addressed.

ICT and Customer Services

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

On the performance indicator for Helpdesk Calls fixed on time, the Head of ICT and Customer Services advised that the current year outturn should read 93% and not 91.53% as reported. He added that a report on procurement would be submitted to the meeting of this Committee scheduled for 11 July 2013. The information provided on visitor enquiries at the Holywell Connects office would be followed up by a questionnaire which would be sent to the users of the centre to

ask about their visit. He concluded that the performance information from the General Register Officer would be submitted to the Committee on an annual basis as part of the performance report for ICT and Customer Services.

Legal and Democratic Services

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

In referring to the performance indicator on Breach of the Data Protection Act by the Council, the Head of Legal and Democratic Services was pleased to report that the RAG status had changed from red to amber following an audit by the Information Commissioners Officer (ICO) in March. One of the recommendations in the report from the ICO was that a senior officer had to be nominated for data protection issues and the Corporate Management Team had agreed that it should be the Head of Legal and Democratic Services.

The Head of Legal and Democratic Services explained that the number of Freedom of Information Act requests which had been received had reduced slightly when compared to the same quarter in 2011/12 but the numbers determined within the 20 day response time had increased. He added that the number of Environmental Impact requests had reduced but the number determined within the 20 day response time was 100% compared to 96% for the same period in 2011/12. He explained that he would review the inclusion of some of the performance indicators for future reports.

In response to a query from Councillor Patrick Heesom about Environmental Impact requests, the figure reported was for the number of requests which had been received and not for the number of people making the request.

On the issue of the preparation of the Annual Governance Statement, the Head of Legal and Democratic Services said that the issue had been considered at a recent meeting of the Audit Committee and the consensus was that Members should be included in the process. A request had also been received for the Constitution Committee to review the Standards and Ethical Framework particularly on the issue of officer/Member relations. Councillor Heesom requested that the Code of Corporate Governance be reviewed as it had not been reviewed since 2003.

RESOLVED:

That the report be noted.

15. FORWARD WORK PROGRAMME

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

The Member Engagement Manager detailed the items to be submitted to the meeting scheduled for 11 July 2013 and advised that as discussed earlier, a report on attendance management would also be considered at the meeting. He also advised Members of the items which were to be submitted to the meetings scheduled for September 2013 to January 2014.

RESOLVED:

- (a) That the report be noted; and
- (b) That the Forward Work Programme be amended to include a report on attendance management at the 11 July 2013 meeting.

16. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

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

(The meeting started at 10.00 am and ended at 1.04 pm)

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Chairman