

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE

11 JULY 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, 11 July 2013

PRESENT: Councillor Tim Newhouse (Chairman)

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

SUBSTITUTE:

Councillor Nancy Matthews for Richard Jones

CONTRIBUTORS:

Leader of the Council and Cabinet Member for Finance, Cabinet Member for Corporate Management, Chief Executive, Head of Finance, Corporate Finance Manager, Revenues and Benefits Manager for minute number 21, Benefits Manager for minute number 22, Head of Human Resources and Organisational Development for minute number 23 and Head of Assets and Transportation for minute number 24

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

17. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

18. MINUTES

Prior to the consideration of the minutes, Councillor Patrick Heesom raised concern about papers being circulated to Members at the start of the meeting. He also expressed his disappointment about two meetings being held on the same day as it was difficult for Group Leaders to be able to discuss the issues with their Members prior to the meetings if substitutes were required. The Chief Executive explained that the papers were presentation handouts and not late reports and that it was standard practice to circulate handouts for presentations at the start of a meeting.

The minutes of the meeting of the Committee held on 13 June 2013 had been circulated to Members with the agenda.

In response to a question from Councillor Haydn Bateman on whether a response had been received from Welsh Government on the application for costs by Streetscene during the severe weather, the Head of Finance said that an update had not been received.

Councillor Heesom asked whether Councillor Marion Bateman had received the information that she had requested on additional superannuation

costs. Councillor Bateman responded that the Corporate Finance Manager had provided her with some information prior to the start of the meeting.

Councillor Heesom also raised a number of issues relating to the Flintshire Futures programme. In response, the Leader referred to a recent meeting of the Flintshire Futures Board which Councillor Heesom had attended as a substitute for Councillor Newhouse, who as Chair of Corporate Resources was a member of the Board. The Leader also spoke of the positive news of the successful negotiations for the Housing Revenue Account subsidy but said that it was not yet known how Flintshire County Council would be affected. Further information would be reported back to the Committee once the details had been received.

Councillor Peter Curtis referred to the third paragraph on page 7 and asked that his comment about not condoning annual leave being used to mask sickness be included. The Member Engagement Manager confirmed that the minutes could be amended.

On being put to the vote, the amendment to the minutes was agreed.

RESOLVED:

That subject to the amendment suggested, the minutes be approved as a correct record and signed by the Chairman.

19. MEDIUM TERM FINANCIAL PLAN 2014/15 - 2018/19

The Head of Finance introduced a report to present the updated Medium Term Financial Plan (MTFP) 2014/15 to 2018/19 for consideration.

The Chief Executive and Head of Finance provided a presentation with the main features being as follows:-

- The 'Bigger' Picture Context
- Organisational & Financial Planning
- MTFP and MTFS
- MTFP – Continuous Development
- Why have two MTFP 'revisions'?
- Re-setting the MTFP – May 2013 and October 2013
- Headline Overview – May 2013
- Assumptions behind the figures
- Funding – the biggest uncertainty/ where we were
- Beyond Scenario 3?
- English Style Reductions?
- WG Funding – possible levels/sensitivity
- Surviving with much less
- MTFP & Budget Timetable – key dates

Councillor Patrick Heesom welcomed what might come forward in the next update in October 2013, but reiterated his concerns about the financial planning framework. He felt that the approach being taken would not fill the funding shortfall which had been reported in the presentation and suggested that no

amount of financial planning would avoid the need for political decisions. He commented on the use of base budgets and referred to the comments of Councillor Arnold Woolley at the previous meeting.

The Chief Executive responded that the starting point for the plan was the amount of Revenue Support Grant and the predictive income from the Government. A significant amount of work was ongoing which included looking at over/underspend trends and discussions would need to include reprioritising some services and possibly losing others. He felt that there would be significant challenges ahead and that it was important to plan for the next four to five years.

The Leader of the Council felt that the presentation included a very stark and overwhelming message and said that these were projections from a national perspective and that national negotiations still needed to be undertaken. He commented on the likely reduction in budgets from Welsh Government and said that if it followed the English way and protected the NHS at the behest of government services, then there needed to be an element for social services too. He explained that discussions were ongoing and added that early clarity from WG about issues such as funding of specific grants was awaited.

In response to a question from Councillor Haydn Bateman, the Head of Finance said that for planning purposes, a 3% rise in Council Tax had been assumed but this was not a policy decision which had been taken for 2014/15 and later years. The Leader reminded Members that this had been the position taken by the previous administration and that it had not been changed at this stage. The Head of Finance explained that a 1% rise in Council Tax would result in an increased amount of income of £0.500m.

Councillor Nancy Matthews asked whether consideration of collaboration with other authorities had been considered. The Chief Executive said that the issue of localities for social care would need to be considered.

RESOLVED:

- (a) That the report be noted;
- (b) That the Committee's comments be forwarded to Cabinet for their consideration.

20. REVENUE BUDGET MONITORING 2012/13 (OUTTURN) AND CAPITAL PROGRAMME 2012/13 (OUTTURN)

Revenue Budget Monitoring 2012/13 (Outturn)

The Corporate Finance Manager introduced a report to inform Members of the Council Fund and the Housing Revenue Account (HRA) outturn for 2012/13 (subject to audit) and the impact of the respective level of reserves at 31 March 2013. These figures were included in the draft Statement of Accounts 2012/13 which would be reported to Audit Committee on 17 July 2013. This report would also be submitted to Cabinet on 16 July 2013.

The final outturn position subject to audit was a net underspend of £4.229m on the Council Fund (underspend of £4.313m at Month 12) and a net underspend of £1.076m on the HRA (underspend of £1.047m at Month 12). The significant changes for the Council Fund from Month 12 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.

Paragraphs 3.05 to 3.08 provided details of the outcome of a review undertaken by each Head of Service to look at the reasons for, and the timing of variances occurring towards the end of the year and the reasons for the variances could be classified into five main themes which were detailed. Corporate Management Team had identified and agreed a range of actions to strengthen budget management and reporting in the light of the issues identified.

A brief overview of the year was highlighted in paras 3.13 – 3.19 and summary on the achievement of efficiencies were reported and showed the overachievement in efficiencies of £2.205m which was mainly due to the significant reduction in spend on Out of County Placements within Community Services and Lifelong Learning.

The latest position on Unearmarked reserves was reported and as a result of the movements, the final level of contingency reserve was £3.409m. However, It was recommended in the report that the winter maintenance reserve be reinstated to the value of £0.250m and that the remaining £3.159m be held in the contingency reserve at this stage and its use considered within the context of the Medium Term Financial Plan (MTFP) and 2014/15 budget strategy as a key strategic decision.

On the HRA the final outturn for 2012/13 showed an underspend of £1.076m which resulted in a closing balance (subject to audit) at 31 March 2013 of £1.931m which at 6.98% of the total expenditure exceeded the recommended minimum level of 3%. Paragraphs 6.04 to 6.06 provided a brief overview of the year.

Capital Programme 2012/13 (Outturn)

The Corporate Finance Manager introduced a report to provide Members with the Capital Programme outturn information for 2012/13 which would also be submitted to Cabinet on 16 July 2013.

He explained that an incorrect version of appendix C had been included with the report, and he therefore circulated an amended version to Members. The report set out how the programme had changed during 2012/13 with the revised figures of final spend being £26.454m for Council Fund and £10.742m for Housing Revenue Account (HRA).

Detailed cumulative information relating to each programme area was provided and a summary of those changes made to the programme during the last quarter was provided in appendix B. Further savings of £0.237m within ICT infrastructure projects were identified in the final quarter, in addition to the £0.491m previously reported bringing the total to £0.728m.

The final outturn across the whole programme amounted to £37.196m representing 87.7% of the revised total of £42.330m. The Capital Expenditure/Outturn against revised budget was reported and the significant variances greater than £0.025m were individually listed in appendix C.

Section 3.06 provided detail of the amount of rollover carried forward into the following year. The final amount of rollover was £8.750m of which £3.6m was identified at month 9 in view of revised spending plans. This compared to rollover of £7.762m the previous year.

Councillor Haydn Bateman referred to paragraph 3.05.3 and asked for an explanation of the contents of the graph which the Corporate Finance Manager provided.

Update on the initial forecast – Revenue Budget Monitoring 2013/14

The Corporate Finance Manager provided a short presentation on the initial forecast which covered the following areas:-

- Revenue Budget Monitoring 2013/14
- Strengthening Financial Control
- Key Service Functions Under Review
- Summary

He also circulated an appendix showing an early projection on Council Fund Budget Monitoring for 2013/14 and the MTFP for 2014/15.

RESOLVED:

That the reports be noted.

21. WELFARE REFORM UPDATE

The Revenues and Benefits Manager introduced the report to update Members on the latest position regarding Welfare Reform.

He detailed the background to the report and explained that the Welfare Reform Board had met on 1 July 2013 and had decided that the successful implementation of the Welfare Reform Strategy had been completed and that future reporting would be through Cabinet and this Committee. On the issue of the Council Tax Reduction Scheme, there had been no impact for Welsh Councils for 2013/14 due to funding of £22m being made available by Welsh Government, however it was not yet known if there would be any changes to the scheme for 2014/15 and whether there would be any impacts as a result of any changes.

New rules had been implemented from 1 April 2013 for tenants who were under occupying their property and had resulted in 1,477 working age social housing tenants having their housing benefit reduced losing housing benefit totalling £922,000 per annum. A significant amount of work had been undertaken with tenants but the main problem was the lack of smaller properties to move tenants to. The Benefit Cap would be implemented between July and September

2013 and current information indicated that 44 Flintshire households would be affected and that in total they would lose combined annual welfare benefit income of £153,000. However this figure could be lower once each claim had been analysed and the number of households affected due to the exemptions identified.

Personal Independence Payments (PIP) would replace Disability Living Allowance and approximately 4,000 Flintshire households would be reassessed under the PIP criteria by 2017. The Revenues and Benefits Manager referred to the Discretionary Assistance Fund and explained that this was being undertaken by Northgate Financial Services and information on the service had been circulated which included contact details. He also provided information on the Local Support Services Framework, Advice Management Board, Empowering Flintshire's Communities and the Welfare Reform Response Team which was funded up to 31 March 2014. He also circulated an update about Universal Credit which reported that an announcement had been made the previous day that Shotton was to be a pilot area for the implementation of Universal Credit from October 2013. It was anticipated that this would affect 30 claimants in the Shotton area due to the restrictive criteria for eligibility.

The Leader of the Council spoke of the significant impacts that the Welfare Reform changes would have on Flintshire residents and said that the Welfare Reform Board had been set up to bring together local agencies who could provide assistance for those affected by the changes. A number of policies had been changed by Flintshire County Council such as the Fair Debt Policy as a result of the introduction of Welfare Reform. He raised serious concerns about why Shotton had been chosen as a pilot area and suggested that contact be made with the Government to highlight the concerns.

The Chairman explained that the report on Discretionary Housing Payments Update would now be presented to the Committee and would be followed by questions from Members on the Welfare Reform Update and Discretionary Housing Payments Update.

RESOLVED:

- (a) That the report be noted; and
- (b) That a letter be drafted to the Department for Work and Pensions about why Shotton had been chosen as a pilot area for the October 2013 roll out of the Universal Credit.

22. DISCRETIONARY HOUSING PAYMENTS UPDATE

The Benefits Manager introduced the report to provide an update in relation to Discretionary Housing Payments (DHP) following the consultation and adoption of the DHP Policy for 2013/14.

She detailed the background to the report and explained that the resource available for DHP was a total of £544,645 which was £302,526 from Flintshire County Council and £242,119 from the Department of Work and Pensions (DWP). Many households would suffer significant financial challenges due to the

implementation of the changes to Welfare Benefits and a policy had been developed to detail the administration and processes that were to be followed when implementing the scheme and awarding financial assistance. The objectives of the DHP scheme were reported and the Benefits Manager explained that the payments were designed to be a last resort, short term or lump sum payments to assist people to meet their housing costs to help them to achieve a sustainable situation for the future. Applications for DHP had increased by 42% when compared to the same period last year and in the first quarter of this year 186 applications had been processed. Almost 90% of the applications were due to welfare reform changes with the majority being as a result of reductions in Housing Benefit due to over occupation when tenants had spare rooms in their property. Two decisions by the staff assessing applications had been subject to a first stage review by Team Leaders and in both cases, the original decisions were overturned and both claims paid following receipt of additional information. Current expenditure was around £46,000 which equated to 8.5% of the total amount provided for in this year but it was expected that this would start to increase steadily over the next few months with a more significant increase due to the impacts of the Welfare Reform Programme.

Councillor Ron Hampson said that 40% of appeals were being overturned and asked whether assistance was being provided to those who appealed as the appeal process could take up to 12 months to complete. The Revenues and Benefits Manager responded that help and advice would be provided and that the key issue was providing support to those who needed it.

The Chief Executive explained that Flintshire County Council had taken a proactive approach by undertaking a mapping exercise to identify those who would be affected by the benefit changes and provided as much assistance and guidance as was possible. On the issue of Shotton being included in the Universal Credit pilot scheme, the Chief Executive expressed his surprise that he had been notified only hours before an announcement in Parliament, with no prior notice. He felt that the selection may have been due to Flintshire County Council being recognised at a high level for its preparations for Welfare Reform but expressed his concern at the small number of pilot areas that had been chosen.

Councillor Ian Dunbar queried what would happen to those affected by Welfare Reform when the DHP had been utilised. He also felt that the Minister who had made a statement about foodbanks was a disgrace and said that people were forced to use foodbanks due to the Welfare Reform cuts. In response to a comment from Councillor Clive Carver, the Chief Executive confirmed that he had received a telephone call the previous day to confirm that Shotton, Deeside was one of the areas included in the pilot scheme from October 2013. He also expressed his disappointment about the continuing comments of Members about late papers being circulated at the start of meetings. He explained that what had been circulated today were copies of the presentations which had been presented and an update on Welfare Reform which Flintshire County Council had only been informed of the day before this meeting.

Councillor Ian Smith asked whether social landlords were changing their policies about prospective tenants depending on their ability to pay. The Revenues and Benefits Manager confirmed that payments to landlords for rent would reduce if the tenants were over occupying the property. He said that the

cost of welfare reform was falling on local authorities and reminded Members that DHP was a pot of money that would not be replaced when it was used up. The Head of Finance said that the Head of Housing would be able to advise Members of the work ongoing with registered social landlords about making the best use of housing stock. The Leader of the Council said he had not received any updates of the policies of registered social landlords and added that he would speak to the Head of Housing on the issue.

Councillor Peter Curtis felt that Welfare Reform was the first steps to dismantling the welfare state and said that disabled people were being targeted and added that the results of the assessments of claimant's ability to undertake work could not be justified. He thanked the team for the work undertaken by Flintshire County Council.

RESOLVED:

That the report be noted.

23. ATTENDANCE MANAGEMENT PERFORMANCE AND AREAS OF IMPROVEMENT

The Head of Human Resources and Organisational Development introduced the report to:-

- Analyse the performance of the organisation in relation to management of attendance;
- Set out Corporate Management Team's plan and commitment to achieve improvements in performance;
- Identify the measures currently being taken;
- Identify actions planned for implementation; and
- Consider further options to improve attendance levels across the organisation.

The Head of Human Resources and Organisational Development explained that this was a follow up to the Workforce Information report submitted to Committee in June 2013. The indicator of the number of working days lost per employee was reported as having a 'Red' RAG status for performing below the target for the first three quarters of 2012/13 and the annual outturn for 2012/13 had been 11.03 days lost against a target of 9.8 days. The report highlighted effective measures for managing attendance which were used by other organisations and detailed the arrangements currently in place for return to work interviews and referrals to Occupational Health at the appropriate stage. Heads of Service were provided with monthly management information on long and short term absences and patterns of absence which they cascaded down to their managers as an additional prompt to take the necessary actions to manage attendance issues effectively and within appropriate timeframes.

Some of the measures put in place to improve attendance were reported and these included the introduction of a physiotherapy pilot in the Streetscene Service and the appropriate and effective use of 'working from home' where this was planned and where the employee was able to undertake meaningful work productively. The key features of the physiotherapy pilot were also reported and

the pilot had been positively received by managers and employees and early indications showed that interventions were having an impact on helping employees to stay in work. The Head of Human Resources and Organisational Development explained that an update would be provided to the Committee when evidence on the impacts was available. Paragraph 3.18 provided details of the measures to improve attendance that were currently being introduced which included the publishing/reporting attendance rates broken down by service to improve visibility of the 'hot spots' in the organisation and to increase the accountability of all managers in managing attendance as a priority.

The Cabinet Member for Corporate Management welcomed the report but said that there was a need to raise the profile of attendance management.

Councillor Ron Hampson said that attendance still continued to be a problem and asked whether performance figures were compared to sickness levels in local private organisations. He also queried whether the policies in place were robust enough and whether they were being implemented by managers. The Head of Human Resources and Organisational Development responded that the measures being implemented would make a difference but added that it was partly a cultural and accountability issue. Councillor Marion Bateman felt that not paying employees for the first three days of sickness would have an impact on the sickness absence figures. The Head of Human Resources and Organisational Development explained that sickness pay formed part of employee's national conditions and that lengthy discussions on this issue had taken place previously across Wales and nationally but had not resulted in any changes being made to the terms and conditions for sick pay entitlement.

Councillor Peter Curtis welcomed the report and said that he did not feel that changing the terms and conditions of employees would be the way forward and he added that enforcing the policies was key to reducing the levels of sickness absence.

Councillor Haydn Bateman queried whether the line managers should attend the meetings of the Committee when sickness absence was discussed. The Head of Human Resources and Organisational Development felt that the responsibility lay with the service heads and that their role included managing sickness absence. In response to an earlier discussion about the implementation of the Council's policy, she added that employees had been dismissed due to poor attendance. Councillor Mike Lowe asked whether the use of the physiotherapy pilot scheme had been benchmarked. Councillor Arnold Woolley suggested that the management of attendance should be included in the appraisal of supervisors and line managers to change the culture of sickness absence. The Head of Human Resources and Organisational Development confirmed that this was one of the core objectives in their appraisals and that this had not previously been included. In response to a query raised, she also confirmed that seven employees had had treatment following an assessment with the physiotherapist and had since returned to the workplace.

RESOLVED:

- (a) That the on-going work to address attendance levels and the underlying causes thereof be supported; and

- (b) That the comments of Members during the meeting be borne in mind during the development and implementation of the policy.

24. ASSET MANAGEMENT AS A FLINTSHIRE FUTURES WORKSTREAM

The Head of Assets and Transportation introduced the report to provide an update on the Assets Workstream within the Flintshire Futures Programme.

He detailed the background to the report and said that the core work area of property rationalisation was around agile working and mobile working. By modernising the way the Council worked by moving to more open plan offices, space and desk provision could be reduced and therefore running costs could be reduced. A number of options were being considered about the County Hall site taking into account other sites owned by the authority, with the main aim being to make the best use of space. Moving to different ways of working would give employees options and would create efficient and modern ways of working. A significant piece of work was being undertaken to look at the assets owned by the Council to deliver efficiency with the smallest amount of pain.

In response to a question from the Chairman, the Head of Assets and Transportation said that he did not have figures available for potential capital receipts for the Council if County Hall was demolished and the land sold as this was a piece of work that was in progress and would have commercial sensitivity.

Following a question from Councillor Arnold Wooley, the Head of Assets and Transportation said that about 10% of the County Hall building was currently used for storage. To assist in improving this position, document management through electronic document scanning, retention and retrieval was being rolled out throughout County Hall and was a further workstream within the Flintshire Futures Programme.

Councillor Richard Lloyd asked whether many derelict properties were owned by Flintshire County Council and the Head of Assets and Transportation said that this would also be looked at as part of the overall review of the Council's land and property assets.

Councillor Patrick Heesom queried whether it would be appropriate to hold a seminar with Members on the issue of assets. The Head of Assets and Transportation said that this may be considered in the future but was not required yet. Councillor Heesom felt that consultation with Members was important and suggested that Members write to the Head of Assets and Transportation with their ideas.

RESOLVED:

- (a) That the report be noted; and
- (b) That the Head of Assets and Transportation consider an appropriate medium for further discussions with Members in due course.

25. FORWARD WORK PROGRAMME

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

He detailed the items due for consideration at the 12 September 2013 meeting of the Committee and explained that an additional item on the Information Commissioner's Office Audit of Data Protection at Flintshire County Council was also to be considered at the meeting and had been added to the Forward Work Programme. The Audit had taken place in April 2013 and the outcome had been positive and Flintshire County Council had been awarded the 'yellow' category with the categories being green/yellow/amber/red.

RESOLVED:-

That the Forward Work Programme as submitted be approved.

26. 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 12.52 pm)

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Chairman