

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
10 OCTOBER 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, 10 October 2013

PRESENT: **Councillor Peter Curtis (Vice-Chairman in the Chair)**

Councillors: Haydn Bateman, Clive Carver, Ian Dunbar, Andy Dunbobbin, Ron Hampson, Richard Lloyd, Paul Shotton, Ian Smith and Arnold Woolley

SUBSTITUTES:

Councillors Carolyn Thomas for Ray Hughes and Nancy Matthews for Richard Jones

APOLOGIES:

Councillors Tim Newhouse and Marion Bateman
Chief Executive and Head of Finance

ALSO PRESENT:

Councillors: Marion Bateman and Kevin Jones

CONTRIBUTORS:

Leader of the Council and Cabinet Member for Finance, Cabinet Member for Corporate Management, Corporate Finance Manager and Head of Human Resources and Organisational Development

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

35. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

36. MINUTES

The minutes of the meeting of the Committee held on 12 September 2013 had been circulated to Members with the agenda.

Matters Arising

Councillor Haydn Bateman referred to the fourth paragraph on page five and asked for an update on the former chemical plant in Sandycroft. In response the Leader of the Council said that discussions were being undertaken with Welsh Government about providing assistance with the costs of clearing the site, which the Council had a duty to do under public protection regulations and that a response from the Minister was awaited.

RESOLVED:

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

37. REVENUE BUDGET MONITORING 2013/14 (MONTH 4)

The Corporate Finance Manager introduced a report to provide Members with the revenue budget monitoring 2013/14 (Month 4) information for the Council Fund and Housing Revenue Account (HRA) which was being submitted to Cabinet on 15 October 2013.

For the Council Fund, the projected net in-year expenditure was reported to be £1.247m less than the budget which was a decrease of £0.818m on the £2.065m reported at Month 3 as reflected in the table at paragraph 3.01.

The main reasons for the changes related to two main areas being a significant reduction in the projected outturn for Out of County Placements of over £0.600m and the inclusion of estimated costs of £0.400m in relation to securing and managing the site and its contents at the former chemical plant site in Sandycroft.

The programme of efficiencies were detailed in paragraph 3.05 which currently indicated that £4.469m of the £5.331m included in the budget (83.8%) would be achieved, resulting in a net under-achievement of £0.862m; full details were provided in appendix 9.

Paragraph 4 detailed the amounts for pay inflation and non standard price inflation which had not changed from Month 3 and the risks and assumptions were identified in section 5.00.

The current position of unearmarked reserves was detailed in paragraphs 6.01 and 6.02 where it was reported that after taking account of an allocation for £0.518m for recovery costs following the March 2013 severe weather, and taking account of the impact of the projected in year budget position, the current projected level of the contingency reserve at the end of March 2014 was £3.888m.

The Corporate Finance Manager also advised of a projected overspend of £0.260m on the HRA which was an increase of £0.217m on the £0.043m overspend reported at Month 3. The projected closing balance at Month 4 of £1.174m was 4.1% of total expenditure and satisfied the prudent approach of ensuring a minimum level of 3%. Appendix 7 detailed the reasons for significant variances occurring to date and the actions planned to deal with them.

In response to a query from Councillor Clive Carver, the Corporate Finance Manager said that the figure of £0.862m included some elements that might be achievable in subsequent years and some that may not be achievable. However, it was important to note that the amount of £0.862m had already been assumed in the projected figures.

Councillor Arnold Woolley asked whether there were any predictions on trends for Out of County Placements. The Corporate Finance Manager said that trends were analysed as part of the forecasting but that the main reason for the increase was due to new placements and extensions to existing placements. The situation was being monitored and would be reported monthly to Cabinet and this Committee.

The Leader of the Council said that it was a national trend of increases in the use of Out of County Placements but assured Members that the situation was being closely monitored.

He also provided a verbal update following the announcement by Jane Hutt, the Minister for Finance on the budget provision for Flintshire County Council for 2014/15. The funding formula used for all 22 Councils in Wales had resulted in a reduction of approximately a four percent cut which added £7m to the already identified budget gap resulting in a total deficit of approximately £16m for 2014/15. The cuts were being felt by all Councils in Wales and work was needed to increase the pace of change for the authority. It had been indicated that the cut for the year 2015/16 would be around 1.6% which was positive news. The Leader explained that the Medium Term Financial Plan (MTFP) was being submitted to the next meeting of Cabinet and that this Committee would play an important role in the MTFP for the forthcoming budget process. He spoke of some of the choices which would have to be considered on service ownership and delivery and commented on the decisions to be discussed on efficiencies and value for money. There were difficult times ahead which would result in reductions in the workforce including management positions.

Councillor Haydn Bateman referred to the drop in income projections for five a side pitches of £0.015m and also commented on the increased overspend on locums in Legal & Democratic Services. In response, the Corporate Finance Manager said that he would obtain further information on these issues and advise Councillor Bateman accordingly. Following a further question from Councillor Bateman about the efficiency for Waste Services reported on page 49, the Corporate Finance Manager confirmed that the efficiency of £0.050m had been achieved and that new transport arrangements were in place. Councillor Nancy Matthews explained that bigger vehicles were being used which would result in a reduction in the number of vehicles needed and would therefore reduce costs.

In response to a question from Councillor Matthews, the Leader of the Council said that collaborative projects were being considered due to the forthcoming changes to budgets. The Cabinet Member for Corporate Management concurred with the comments of the Leader about the seriousness of the budget cuts and said that all aspects of service delivery would need to be considered and that some difficult decisions would have to be made.

Councillor Carolyn Thomas sought assurance that a good standard of service would still be achieved. She also referred to schools that were experiencing difficulties in undertaking repairs and maintenance and queried whether some of the budget could be devolved to the schools for the work to be undertaken. Councillor Thomas also raised concern about the reduction of £0.025m in expenditure in Early Entitlement as reported in appendix 4. In response, the Leader of the Council said that the points raised by Councillor Thomas were valid but that difficult choices would have to be made across all service areas.

Councillor Paul Shotton referred to the costs incurred by the Council for the site at Sandycroft and asked whether a condition could be included in licences for similar sites for future applications could include a form of insurance to prevent the Council having to cover the cost in the future. The Leader of the

Council said there was a need to identify who should meet the costs in this situation and added that a number of discussions were ongoing.

Capital Programme 2013/14 (Month 4)

The Corporate Finance Manager introduced a report to provide Members with the Month 4 (end of July) capital programme information for 2013/14 which would also be submitted to Cabinet on 15 October 2013.

He explained that the table at paragraph 3.01.1 set out how the programme had changed during 2013/14 with the revised figure being £33.779m for Council Fund and £12.126m for HRA. The rollover from 2012/13 and the 20% holdback were reported along with changes during the period which included an increase/decrease in grant funding from Welsh Government and alteration of some funding profiles from external sources.

Details of the variances for individual programme areas were listed in appendix B and how the capital programme was financed was reflected in the table at paragraph 3.06.1.

The Corporate Finance Manager explained that at the 1 March 2013 budget meeting, it had been agreed to hold back 20% of core programme funding in the light of the continuing uncertainty over the timing of receipts. In view of the latest forecasts for capital receipts it was being recommended to Cabinet that the 20% should continue to be held back at this stage to keep the programme within the limits of anticipated receipts. This situation would be closely monitored and would be reported in future monitoring reports and would also become part of the capital programme considerations for 2014/15.

Councillor Carolyn Thomas referred to page 77 and the funding for Hawarden Infants/Juniors amalgamation which had now been reprofiled to 2014/15 and asked for further information on the project. The Corporate Finance Manager confirmed that he could provide further details following the meeting. Councillor Haydn Bateman commented on the changes in the capital programme during this period and the Corporate Finance Manager advised that the Mold Flood Alleviation Scheme and ERDF funded Town Centre Regeneration schemes had both been reprofiled to 2014/15. Councillor Bateman also asked for further information on the funding for Travellers' Sites referred to in appendix A. The Corporate Finance Manager advised that the budget had been amended to reflect reduced grant funding as referred to in appendix B

Councillor Ron Hampson asked for an update on the progress made on realising assets owned by the Council. The Leader of the Council said that there was a need to look at assets and that regular updates were provided to the Committee.

RESOLVED:

That the reports be noted.

38. WALES AUDIT OFFICE REGULATORY PLAN FOR PERFORMANCE 2013

The Head of Human Resources and Organisational Development introduced a report on acceptance of the proposed Regulatory Programme for Performance Audit for the Wales Audit Office (WAO) for the period April 2013 to March 2014.

Appendix one provided detail of the Regulatory Programme for 2013/14 and the Head of Human Resources and Organisational Development explained that the plan reflected performance and financial audit work for the period April 2013 to March 2014. The Improvement Plan Assessment Letter was to be submitted to the October meeting of Cabinet and the plan had been considered and endorsed by Audit Committee on 7 October 2013. Fees for the work had remained proportionate.

In response to a query from Councillor Nancy Matthews, the Leader of the Council said that there had been a slight reduction on costs from the previous year.

RESOLVED:

That the proposed Regulatory Programme for Performance Audit of the Wales Audit Office for the period April 2013 to March 2014 be received.

39. PEOPLE STRATEGY UPDATE

The Head of Human Resources and Organisational Development introduced a report to provide Members with a progress report on the delivery of the People Strategy Action Plan for 2009-12 as at 31 August 2013.

She explained that the current strategy covered the period 2009-12. It had been reviewed recently to reflect the Council's on-going and future priorities for 2013/14 based on the priorities identified in the Workforce workstream under the Flintshire Futures Programme pending a full review of the strategy which would run from 2014. She detailed the background to the report and highlighted some of the actions and projects that were ongoing. These included a significant amount of work on modernisation of working practices and the implementation of various aspects of manager and employee self service on the iTrent system. It was reported that Organisation Design & Change and the Organisation Design Change Programme were both under review pending further scoping work. The size and scale of the Council's next phase of change would be fundamental, involving the design and delivery of a major change programme, given the Council's anticipated budget gap for the next five years. Structural and Business Unit Reviews and Workforce Reduction/Scaling including management and supervision reduction were being considered as part of the scope for the Change Programme.

A Special Flintshire County Council meeting was to be held on 29 October 2013 on the issue of Single Status and the Head of Human Resources and Organisational Development reminded Members of the briefings which had been arranged for week commencing 14 October.

The Agile Working policy together with a revised Flexible Working Policy had been drafted and consultation with key stakeholders had been concluded. The policies would be submitted to Cabinet and this Committee for consideration before implementation.

Councillor Arnold Woolley commented on agile working and on the provision of equipment and raised concern about security of voice and data and asked for assurance that this had been considered. In response, the Head of Human Resources and Organisational Development said that further details would be provided to the Committee in a future report on Agile Working in relation to risk assessments etc. On the issue of equipment, she said that many officers now had laptops issued by the Council and the concept of 'Bring Your Own Device' would undoubtedly be considered as part of the future ICT Strategy. The Chairman suggested that Councillor Woolley contact the Head of ICT and Customer Services to discuss his concerns which centred around IT security and use of an employee's own equipment.

The Cabinet Member for Corporate Management thanked the Head of Human Resources and Organisational Development for her report. He commented on the significant amount of work that had been undertaken on the Single Status project. He said that agile working was an essential part of the need to move forward on the way that the Council delivered its services.

RESOLVED:

- (a) That the extension of the current People Strategy to 2014 pending a comprehensive review be noted and endorsed; and
- (b) That the progress on the delivery of actions up to 31 August 2013 be noted.

40. WORKFORCE INFORMATION QUARTER 1 APRIL - JUNE 2013

The Head of Human Resources and Organisational Development introduced a report to provide Members with an update for the first quarter 2013/14 on the following areas:-

- Establishment
- Headcount
- Agency
- Early Retirements
- Turnover
- Diversity
- Absence

It was reported that the number of placements for Agency Workers had increased throughout the first quarter due to a peak in seasonal variations. The Head of Human Resources and Organisational Development advised that the total number of hours worked by agency workers was also included which indicated that the overall usage of the temporary workforce had decreased year on year. On the issue of absence, it was reported that the number of days lost had increased in the first quarter and this was reflected in the table at paragraph 3.11. The Head of Human Resources and Organisational Development

explained that a continued programme of attendance management reporting was ongoing and a report on the interventions being implemented would be submitted to a future meeting of this Committee for consideration. Sections 3.15 to 3.18 of the report provided details of the absences lost by directorate.

Following a question from Councillor Haydn Bateman, the Chairman advised that any questions about individual posts or postholders should be discussed with the Head of Human Resources and Organisational Development following the meeting.

Councillor Arnold Woolley referred to the table in paragraph 3.03 and queried whether there was an explanation for the variation in costs. He also asked whether the number of placements over 12 weeks could be shown as figures rather than as a percentage. He referred to the reasons for absence reported in paragraph 3.11 which included Stress and asked whether measures were being put in place to ensure that the forthcoming changes did not worsen the situation. In response, the Head of Human Resources and Organisational Development said that she would provide further information on the average costs and long term agency use following the meeting and would include information on these issues in future meetings. She said that work was ongoing on supporting employees through the challenging times ahead and that additional training for Managers was being provided.

Councillor Clive Carver queried why some lines in the tables were blank and raised concern that some areas showed higher absences particularly for the reason 'other'. In response, the Head of Human Resources and Organisational Development said that the figures shown against the blank lines were for employees who had not been allocated into a new service area. She added that the reason 'other' had now been removed from the absence forms and more detailed categories had been included which would assist with analysing the underlying causes of absence. The Head of Human Resources and Organisational Development confirmed that the figures shown on absence were per employee in each service area and that service heads were developing action plans to address the issue of absence. The Cabinet Member added that the use of agency staff was essential but that it was being monitored regularly.

RESOLVED:

That the Workforce Information report for quarter one for 2013/14 be noted.

41. FORWARD WORK PROGRAMME

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

He detailed the items for consideration at the 14 November 2013 meeting of the Committee and explained that as Procurement as a Flintshire Futures workstream had been considered at the September meeting of this Committee an update would be submitted to the March 2014 meeting. He suggested that he discuss with the Head of Human Resources and Organisational Development inclusion of reports on agile working and absence to future meetings and update

the Forward Work Programme accordingly following discussions with the Chairman and Vice-Chair.

RESOLVED:

- (a) That the Forward Work Programme as submitted be approved, with the deletion of the report on Procurement at the November 2013 meeting; and
- (b) That the Chair and Vice-chair in conjunction with the Member Engagement Manager be authorised to change the Forward Work Programme between meetings.

42. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

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

(The meeting started at 10.00 am and ended at 11.53 am)

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Chairman