

**CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**  
**14 NOVEMBER 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, 14 November 2013

**PRESENT: Councillor Tim Newhouse (Chairman)**

Councillors: Haydn Bateman, Clive Carver, Peter Curtis, Andy Dunbobbin, Richard Lloyd, Mike Lowe, Ian Smith and Arnold Woolley

**SUBSTITUTES:**

Councillors: Alex Aldridge for Paul Shotton, Robin Guest for Richard Jones, Joe Johnson for Ron Hampson and Mike Reece for Ian Dunbar

**APOLOGIES:**

Councillors: Marion Bateman and Ray Hughes, the Leader of the Council and Cabinet Member for Finance, Chief Executive and Head of Finance

**ALSO PRESENT:**

Councillors: Ron Hampson and Kevin Jones

**CONTRIBUTORS:**

Cabinet Member for Corporate Management, Head of ICT & Customer Services, Corporate Finance Manager, Policy & Performance Manager

Mr. Alan Morris of Wales Audit Office (for minute number 45)

Revenues & Benefits Manager (for minute number 48)

Head of Human Resources & Organisational Development (for minute number 48)

**IN ATTENDANCE:** Member Engagement Manager and Committee Officer

**43. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**

No declarations of interest were made.

**44. MINUTES**

The minutes of the meeting of the Committee held on 10 October 2013 had been circulated to Members with the agenda.

**Matters Arising**

Minutes No. 37: Revenue Budget Monitoring 2013/14 (Month 4) - In response to a query from Councillor Haydn Bateman, the Corporate Finance Manager confirmed that the drop in income projections for five-a-side pitches was £15K for the full 12 months.

**RESOLVED:**

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

**45. WALES AUDIT OFFICE IMPROVEMENT ASSESSMENT LETTER AND THE COUNCIL'S RESPONSE AND REGULATORY PLAN**

The Policy & Performance Manager introduced the report on the proposed Regulatory Programme for Performance Audit of the Wales Audit Office (WAO) for April 2013 to March 2014 together with the Improvement Assessment Letter September 2013 from the Auditor General for Wales and Cabinet response. It was noted that the Regulatory Plan had previously been submitted to the Committee and was included with the report to provide context.

In providing an overview of the key points in the Improvement Assessment Letter, Mr. Alan Morris of WAO welcomed the Council's new and improved approach to the Improvement Plan and outlined areas where WAO felt that this did not fully comply with Welsh Government (WG) guidance. He also welcomed the Council's commitment to improve on the pace of some key issues and further Member involvement in the development of the Annual Governance Statement. A national report was due to be published on the outcome of the all-Wales Improvement Study on Scrutiny arrangements to which Flintshire had contributed and reference was also made to the Care & Social Services Inspectorate Wales (CSSIW) visit which had identified many areas of good practice on safeguarding arrangements in Flintshire together with a limited number of areas for improvement. Mr. Morris confirmed that there were no new proposals for improvement and recognised that progress was being made on recommendations previously made. He said that this was a very positive Letter and acknowledged the value in the Cabinet response.

The Policy & Performance Manager confirmed that the Cabinet response had addressed all the points raised by WAO together with some additional issues. Work had been undertaken on the Improvement Plan to simplify the document and monitoring was now in place with clearly set targets which meant that this issue was now resolved. In response to comments on developing the pace of the Medium Term Financial Plan (MTFP), she stressed that this was a national issue and not isolated in local context. In summary she said that this was an overall positive report with an equally positive response in terms of improvement.

Councillor Alex Aldridge asked about changes to levels of expectations in local government in view of future significant challenges, and involvement from WAO on the Commission on Public Service Governance and Delivery. He went on to speak of the role of regulators as critical friends to meet the challenges ahead and the potential for changes in aspirations arising from any reduction in the number of Councils in Wales.

Whilst Mr. Morris recognised the challenges faced by all local authorities, the requirements of the Local Government Measure meant that there were statutory requirements placed on WAO in respect of regulation which meant that prioritisation of additional work was more limited. Difficult decisions would need to be taken to reduce standards in some services to channel resources at key priorities. Councils would need to put in place sound arrangements to demonstrate clear evidence on these decisions. The Auditor General for Wales had given evidence to the Commission, which was available for circulation, and

the final outcome was awaited, however Mr. Morris felt that scale was not a factor as some smaller authorities had proved to be efficient and well run. Whilst progress had been made on collaboration, he felt that more could be done and work by WAO would ensure that firm arrangements were in place prior to any decision on collaboration. WAO colleagues were also looking closely at financial management arrangements with closer working between financial and performance audits. Representations were being made to WG to allow more flexibility so that WAO resources could be targeted on specific areas of need within Councils.

Councillor Robin Guest pointed out that the Cabinet response made no mention of the WAO comments on the lack of Member involvement in the Corporate Governance Working Group on the Annual Governance Statement. The Policy & Performance Manager explained the technical nature of the officer working group and said that as part of various agreed improvements to the process, the Audit Committee now had a greater degree of involvement and that findings from the working group would be shared with the Audit Committee. Mr. Morris said that WAO welcomed this change and would monitor as part of routine work.

In response to further queries, Mr. Morris acknowledged that the setting of Improvement Objectives was a complex arrangement involving a range of factors, further challenged by the current financial climate, however further progress was needed. On Improvement arrangements, he welcomed the pace of progress made this year on a number of issues and said that WAO would continue to monitor the development of arrangements and progress on achieving targets whilst recognising that the MTFP was a major challenge for all Councils. When asked about the impact of budget cuts on WAO, Mr. Morris stated that resources were being carefully targeted within the statutory framework.

The Head of ICT & Customer Services said that significant improvements had been made to the approach to Improvement Plan monitoring as demonstrated in the report later on the agenda. In response to WAO comments on financial planning, exemplified by the recent Local Government Settlement and budget gap, he outlined the different workstreams within the MTFP reported to Cabinet in October 2013 which set out the strategy to progress through challenges ahead and said that Member workshops with further detail on programmes were scheduled for December 2013.

**RESOLVED:**

- (a) That the proposed Regulatory Programme for Performance Audit of the Wales Audit Office for the period April 2013 to March 2014 be noted; and
- (b) That the Council's Improvement Assessment Letter received from the Auditor General for Wales and the Cabinet response be noted.

**46. REVENUE BUDGET MONITORING 2013/14 (MONTH 5)**

The Corporate Finance Manager introduced a report to provide Members with Revenue Budget Monitoring 2013/14 (Month 5) information for the Council

Fund and Housing Revenue Account (HRA) due for submission to Cabinet on 19 November 2013.

It was reported that the projected year end position, as estimated at Month 5, was a net underspend of £1.074m on the Council Fund and a projected net underspend of £0.014m on the HRA. For the Council Fund, a projected positive variation of expenditure was reported. In Community Services, additional costs for out of county placements and locality teams were offset by additional funding in disability services. Explanation on movements from Month 4 were appended to the report and the Programme of Efficiencies indicated that 83.7% of the anticipated efficiencies were on target to be achieved by the end of the financial year. An update was given on non-standard inflation and the position on pay inflation remained unchanged from Month 4.

Councillor Robin Guest queried the increase in the projected one-off underspend for Extra Care on Llys Jasmine and said that this would need to be rectified on completion of the project. The Corporate Finance Manager agreed to provide a separate response.

Following queries raised by Councillor Haydn Bateman on new risks, the Corporate Finance Manager explained that the potential costs relating to the former chemical plant in Sandycroft covered a six month period and were therefore relevant to this report. The projected costs for Social Services for Children were in response to the increasing number of referrals which was a national issue and work was being undertaken locally to look at ways of reducing these costs. The Corporate Finance Manager agreed to respond separately to requests for information on potential risks in Waste Services and the overspend on materials in Repairs and Maintenance.

**RESOLVED:**

That the report be noted.

**47. IMPROVEMENT PLAN MONITORING REPORT**

The Policy & Performance Manager introduced a report to note and consider elements of the 2013/14 Mid Year Improvement Plan Monitoring Report relevant to the Committee, covering April to September 2013, and to invite comment on the new approach to performance reporting.

This was the first time that the report had been submitted to the Committee and included more detail than that reported to the last Cabinet meeting on Red, Amber, Green (RAG) risk status on progress and levels of confidence in undertaking activities. In response to comments made by the Wales Audit Office, Improvement Plan monitoring now included more specific detail on baseline and target information for each activity. The new format included a risk assessment matrix for risks identified, for example a Red RAG status was allocated to the Welfare Reform sub-priority due to the degree of uncertainty at this stage and would change over time.

The Head of ICT & Customer Services commented that the Red RAG status for Achieving Efficiency Targets reflected that a significant amount of work was ongoing.

**RESOLVED:**

That the 2013/14 Mid Year Improvement Plan Monitoring Report be noted.

**48. MID YEAR SERVICE PERFORMANCE REPORT**

The Committee was requested to note and consider the 2013/14 Mid Year Service Performance Report covering April to September 2013 and to comment on the new approach to performance reporting.

The relevant officers each gave a short presentation on performance in their respective areas, outlining work which had been undertaken to improve performance and areas where improvement was needed, as outlined within the report.

Finance

Councillor Clive Carver referred to the downturn in the percentage of undisputed invoices paid within 30 days and asked if a single point of contact was available for suppliers to pursue these queries with the Council. The Corporate Finance Manager explained that the relevant authorising officer was the first point of contact for such enquiries and that the AP/AR Control Team was responsible for co-ordinating responses across the Council. The Head of ICT & Customer Services said that the introduction of the P2P procurement system would help to improve performance, to be further aided by plans to centralise invoice processing with a central point of contact. He added that due to the current inconsistent use of dispute codes on invoices, the figure shown in the report may not reflect the true position.

Members stressed the importance of timely payment of invoices, particularly to smaller businesses.

Councillor Peter Curtis commented on the level of long-term sickness absence in Finance and said it would be helpful to show changes in sickness absence levels. On employee turnover, he asked whether the temporary appointments made to address the backlog of work in the Clwyd Pension Fund would become permanent to ensure that there was no repeat. The Corporate Finance Manager agreed to provide a separate response on this. Members agreed with the suggestion made by the Head of ICT & Customer Services that future reports by Heads of Service include detail on sickness absence trends.

Human Resources & Organisational Design

In referring to the forthcoming changes in the organisation and reduced budgets, Councillor Alex Aldridge said that individuals who opted for redundancy should not be re-employed in a different role. He also sought assurances that individuals in detriment as a result of Single Status would be given opportunities to be redeployed in other roles.

The Head of Human Resources & Organisational Change acknowledged the need to balance significant projects with cost implications and said that improved terms and conditions for the workforce under Single Status would benefit those delivering services. There was planned investment to support individuals at the stage when outcomes were made available and results were due to be circulated during the first week of December 2013 followed by Trade Union ballots. Under the workforce programme, work was being carried out to identify areas of potential reduction and entitlements for Early Voluntary Retirement (EVR) to ensure that this was affordable and to provide incentive for individuals.

In response to a comment from the Chairman, it was noted that the Local Government Pension rules did not prohibit a former employee from returning to work, however there was a need to set out clear expectations against this within the policy in order to achieve real savings.

The Cabinet Member for Corporate Management referred to the overwhelming support for the Single Status Agreement from Members at the recent County Council meeting, together with support from Trade Unions. He was confident that the approach taken was the right one and added that the Hay Group was supporting the Council in the process.

Councillor Arnold Woolley asked if there were any concerns over the long-term planning and viability of the Pension scheme resulting from the forthcoming structural changes. It was reported by the Corporate Finance Manager that a three year valuation was to be undertaken of the Pension arrangements taking account of the impact of Single Status and a reduced workforce. In the interim, an assumption of £900K of additional Pension contributions had been incorporated in the Medium Term Financial Plan with a reduced long-term deficit.

Councillor Peter Curtis commented that a former employee may be entitled to return to work under Equal Opportunities rules and that this could create discontent amongst the workforce. The Head of Human Resources & Organisational Development explained that careful consideration would be taken on retaining or releasing necessary skills/experience prior to any decision on approval of redundancy requests.

Councillor Robin Guest said it was important not to lose the required levels of expertise in the workforce in favour of recruiting untrained replacements. The Head of Human Resources & Organisational Development gave assurance that appropriate transitional arrangements were being considered to avoid any undue risk. In response to comments on appraisals, she said that the next performance report would include how the whole of the Council was progressing with appraisals mid year.

Following a query from the Chair, the Head of Human Resources & Organisational Design said that requests for voluntary redundancy would need to be properly assessed prior to exploring alternative measures needed to achieve the required level of savings.

In response to a query from Councillor Woolley, the Head of Human Resources & Organisational Design confirmed that a balanced view was being taken of reduced workforce and efficiencies and that a significant piece of work related to the operating model for the Council including senior management structure which would inform decisions on EVR and voluntary redundancy applications and approvals. Following concerns raised by Councillor Woolley on a long-standing issue with appraisals, she stated that progress had been made and the inclusion of this issue within performance reports reinforced accountability of Heads of Service.

The Cabinet Member for Waste Strategy, Public Protection & Leisure, who was seated in the public gallery, acknowledged the future reductions in the Council. He said that flexibility was needed to ensure that levels of expertise were protected, particularly in smaller teams, and that options such as a phased approach or sharing expertise in a joint arrangement could be beneficial.

### ICT & Customer Services

Councillor Peter Curtis welcomed the introduction of electronic devices for Members which it was reported would be rolled out to Cabinet Members, Committee Chairs and Group Leaders before all Council Members.

Councillor Clive Carver requested that his appreciation be passed on to the ICT officer on the Service Desk who had helped to resolve a problem with Citrix. The Head of ICT & Customer Services explained that a jointly-procured system had been implemented by the Service Desk and whilst the rate of responses to faults was on target, there was further progress to be made on answering the large volume of calls. In response to a query on reporting faults, he advised that a self-service facility had been introduced on the Council's Infonet which included responses to frequently asked questions.

Following queries raised by Councillor Andy Dunbobbin, the Head of ICT & Customer Services explained that the main aim of Learning in Digital Wales was to ensure consistent standards of bandwidth and infrastructure in every school in Flintshire and that the rollout programme focussed on where services were needed rather than areas of deprivation. He explained that although open source ICT offerings had been previously explored, Microsoft Office was required to integrate to back office systems.

Councillor Richard Lloyd asked if agendas could be made available in Members' pigeonholes for collection where possible to avoid the need for posting. The Member Engagement Manager agreed that this frustration was shared by officers in collating the reports.

### Legal & Democratic Services

The Member Engagement Manager drew Members' attention to the salient features of the Legal & Democratic Services report. Acknowledging concerns expressed by Members earlier in the meeting with regard to the holding of appraisals, he commented that in Legal & Democratic Services, all employees had received an appraisal in the current year.

**RESOLVED:**

- (a) That having considered the 2013/14 Mid Year Service Performance Reports, the comments of the Committee are fed back to the Policy, Performance & Partnerships Team, which is responsible for the overview and monitoring of improvement targets, for inclusion in the report to Cabinet; and
- (b) That future performance reports from Heads of Service include detail on sickness absence trends.

**49. FORWARD WORK PROGRAMME**

The Member Engagement Manager introduced a report to enable the Committee to consider the Forward Work Programme. Following consultation with Overview & Scrutiny Chairs, all Members had recently been notified of changes to the budget consultation process in light of the scale of challenge in the budget year. It was confirmed that Member workshops on the budget process were to be scheduled for 12, 16 and 18 December, using slots previously allocated to budget meetings. Briefing sessions with Overview & Scrutiny Chairs and Group Leaders would also be arranged to consider budget implications.

The Member Engagement Manager also advised that the regular updates on Finance as a Flintshire Futures workstream would be taken off the Forward Work Programme as this issue had reached a conclusion.

**RESOLVED:**

That the Forward Work Programme be amended accordingly.

**50. 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 12.20 pm)

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**Chairman**