

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
9 OCTOBER 2014

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold on Thursday, 9 October 2014

PRESENT: Councillor Carolyn Thomas (Chair)

Councillors: Marion Bateman, Clive Carver, Paul Cunningham, Robin Guest, Ron Hampson, Joe Johnson, Richard Jones, David Roney and Arnold Woolley

SUBSTITUTES:

Councillor: Mike Reece for Ian Dunbar, Ron Davies for Andy Dunbobbin and Vicky Perfect for Paul Shotton

APOLOGIES:

Councillors: Peter Curtis and Richard Lloyd
Chief Executive and Cabinet Member for Corporate Management

CONTRIBUTORS:

Leader and Cabinet Member for Finance, Chief Officer (Governance), Chief Officer (People and Resources) and Finance Managers

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

30. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

31. MINUTES

The minutes of the meeting of the Committee held on 11 September 2014 had been circulated to Members with the agenda.

Accuracy

Councillor Arnold Woolley referred to the second paragraph on minute 24 and suggested that the words 'he extent' should be changed to 'the extent'. In referring to the fourth paragraph on the same page, he felt that the word 'Conservation' should be changed to 'Conversation'. On being put to the vote, the amendments were agreed.

Councillor Richard Jones indicated that comments from Councillor Peter Curtis and Councillor Billy Mullin had not been included in the minutes. The Member Engagement Manager explained that the minutes were not a verbatim record and on being put to the vote, the amendments were not agreed.

Matters Arising

Councillor Jones referred to the last paragraph on page 6 and indicated that he had not received the draft Terms of reference for the Task and Finish

Group. The Member Engagement Manager confirmed that this had been sent to Members by email earlier that day. In response to a further comment from Councillor Jones that his comments about local companies had not been included, the Chief Officer (Governance) explained that this was shown on page 8 and that he had agreed to discuss this further with Councillor Jones following the meeting.

Councillor Paul Cunningham thanked the Member Engagement Manager for the information on the work of the staff in the Flintshire Connects office in Flint in relation to Police issues.

RESOLVED:

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

32. BUDGET CONSULTATION PROCESS

The Leader of the Council explained that workshops to provide Members with details on the budget proposals were being arranged ahead of the formal budget setting process. He suggested that the workshops take place during week commencing 27th October 2014 but appreciated that this was school holidays and may not be convenient for some Members.

Details of the settlement had been received the previous day and the reduction for Flintshire County Council was 3.4% which was in line with the Welsh average. This meant that there would be a budget gap of £16.4m. He referred to the work that needed to be undertaken based on demographic and statutory pressures and referred to discussions earlier in the year with the Minister, who had indicated that the reduction in funding could be as high as 4.5%. The Leader commented on the pressures for Supporting People and Education along with a cut in the Sustainable Waste Grant of 3%. A briefing note was being prepared for all Members which would provide a breakdown of what the reduction meant for Flintshire. He felt that it was important that the workshops took place as soon as possible. He commented on the costs for subsidising of bus services and social care for the elderly and vulnerable.

The Leader explained that departments had been asked to plan for a 30% reduction in funding over three years and it was anticipated that the pressures on service areas would continue. He referred to the ringfencing of budgets for health care and in referring to a report by the Nuffield Trust, said that it was important for the authority to commission its own report on the pressures being applied to social care. He provided details of the cuts in funding for leisure, libraries and social care if the 30% reduction was undertaken and said that ringfencing some budget areas could result in larger than 30% reductions in other areas.

The Chief Officer (Governance) advised that a Group Leader's meeting would be held during week commencing 20th October 2014 to provide more details on how the work would progress. It had been suggested that the budget workshops would be allocated during week commencing 27th October and 3rd November 2014 to outline the approach and proposals so far. The formal

Overview & Scrutiny budget process would take place during December 2014 or January 2015.

The Chair proposed that the workshops be held during the half term holidays and this was duly seconded.

Councillor Clive Carver sought clarification on the 'black hole' referred to in the press. He also asked about the Flintshire Shuttle Bus and whether it worked exclusively for Flintshire County Council. The Leader explained that it was a demand led service and that he would provide a response to Councillor Carver following the meeting. He added that he had not referred to the 'black hole' when providing a comment for the media. He spoke of the 3.4% cut and the pressures of increased costs, which were unprecedented, and said that further details would be provided to Members in the workshops.

Councillor Joe Johnson asked about the Sustainable Waste Grant and the Finance Manager agreed to provide a response following the meeting.

In referring to the Big Budget Conversation, Councillor Robin Guest commented on the low response rate and asked whether any useful suggestions had been put forward by those who had replied. The Leader explained that information on the results had been sent to Members but added that it was difficult to quantify the responses at this stage. Approximately 10,000 had viewed the survey and 700 had provided a response and these would be considered as part of the budget workshops and meetings to scrutinise the budget proposals. Over the past three years, £33m savings had been made but the impact of this had not yet been felt by services. The Leader explained that this could not continue and difficult decisions would have to be made.

Councillor Ron Hampson said that it was important that the public were aware of the scale of the cuts in funding. He also referred to inflationary pressures. The Leader responded that pay inflation negotiations were undertaken nationally and did not form part of the settlement figure. He added that a 1% pay increase would result in an additional pressure of £1.6m.

RESOLVED:

- (a) That the update be received; and
- (b) That the Leader be thanked for the update.

33. REVENUE BUDGET MONITORING 2014/15 (MONTH 4) AND CAPITAL PROGRAMME MONITORING 2014/15 (MONTH 4)

Revenue Budget Monitoring 2014/15 (Month 4)

The Chief Officer (People and Resources) introduced a report to provide Members with the latest Revenue Budget Monitoring 2014/15 (Month 4) for the Council Fund and Housing Revenue Account which was to be submitted to Cabinet on 16 October 2014.

For the Council Fund, the projected net in year non pay expenditure was forecast to be £0.019m lower than budget. Extensive work had been undertaken to rebase all workforce budgets to reflect the actual new costs arising from the new pay and grading structure following the implementation of Single Status. Due to the continuation of this significant piece of work, no pay variations were included in the report. It was anticipated that the rebasing work would be concluded in time for the next monitoring report.

The variances of £0.622m between months 3 and 4 were detailed in appendix 1 and consisted of an overall net reduction in Social Services, an increase in the anticipated surplus on the Council Tax Collection Fund and variances totalling £0.241m in Central and Corporate Finance. Section 3.05 detailed the efficiencies and it was currently projected that £8.444m of the £8.84m (96%) would be achieved. It was reported in paragraph 3.06 that a significant efficiency was included within the Functional Value for Money targets for the administrative support across the organisation. This was subject to further review and though currently assumed as achievable, it remained an additional risk. The 2014/15 budget also contained £3.1m of workforce efficiencies. The Chief Officer (People and Resources) explained that an initial Voluntary Redundancy Programme had identified a number of efficiencies and a second programme had commenced on 1 September 2014 and was running alongside the next phase of the Management Review. A full analysis was included in appendix 3.

Section 4 detailed the inflation included in the budget and section 5 included the budget assumptions and risks. It was reported that taking into account amounts needed to be used from the unearmarked reserves and the current projected outturn at month 4, the projected balance on the contingency reserve at 31 March 2015 was £2.960m and this was summarised in appendix 4.

The HRA was projected to have an overall underspend of £0.038m and a projected closing balance at Month 4 of £1.203m which at 4% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%.

Councillor Richard Jones referred to the changes in the way the Budget Monitoring information had been reported which included much less detail in the table for the Council Fund latest forecast. Earlier reports had included the original budget which this report did not. He also said that non-pay expenditure had not been included as a risk for this period which he felt was a concern and he asked that both of these elements be included in future reports to allow for transparency and easier understanding. The Chair commented that the detail was included in appendix 1 to the report. Councillor Jones also felt that the overspend in services could not be scrutinised using the current reporting methods and suggested that a zero based budget be considered. He sought clarification on the risk of the monthly costs of £0.030m for the former Euticals site and asked why this was different to the variance of £0.286m reported in appendix 1 on page 28. He referred to the Outcome Agreement Grant and Single person discount review which had been identified as risks at Month 3 but had not been included in this report and suggested that an explanation should be provided as to why they were no longer showing as risks.

The Chief Officer (People and Resources) accepted the comment from Councillor Jones about the risk of non-pay expenditure. She explained that further work was needed to complete the rebasing work and said that risks had been identified, and were being managed, in relation to the amount set aside for Single Status both for the increase in the pay bill and for the one off costs (for example, pay protection and implementation payments). With reference to the level of detail provided in budget monitoring reports for Members, she added that it was important to achieve the appropriate balance between the detail required by Cabinet and by this Committee to enable both to undertake their respective roles. She referred to a piece of software called Collaborative Planning that would allow officers to provide budget monitoring information in a variety of different formats to more easily meet data requirements. The Finance Manager said that there was no reason why the amount of the original budget could not be included in future reports. On the issue of Euticals, she explained that the £0.030m was the monthly costs and that the amount of £0.286m was the movement in the projection from Month 3 to 4 due to the fact that the running costs had now been forecast to year end. She said that she would consider including detail on risks which had been removed in future reports and that further information on the Single Person Discount could be provided following the meeting.

The Leader accepted the views of Councillor Jones about the ongoing reporting of risks which had been removed but said that even though figures were now reported based on portfolios rather than directorates, the budget amount remained the same, which he felt should be welcomed. He added that the projected underspend at month 4 of £0.019m compared to a projected overspend of £0.603m at month 3 was positive.

On the Housing Revenue Account (HRA), Councillor Ron Hampson indicated that those who had been charged for the gardening service when they should not have been, had not yet received a refund. The Chief Officer (People and Resources) agreed to provide an update following the meeting.

Councillor Robin Guest felt that it was essential that Members could understand how the budgets had been realigned to portfolios instead of directorates. He also felt that there was a need to identify the detail of the original budget and to provide information on the movements and variances beneath each portfolio to allow Members to scrutinise the budget.

The Leader took the comments on board and said that it was important that Members had adequate information to allow them to challenge the figures. The Chief Officer (Governance) explained that each service area had a significant number of budget codes for different transactions and that it was important to provide a balance between providing too little or too much information.

Councillor Jones suggested that the reports should include the original budget, the amount for the current month and the proposed figures for the remainder of the financial year. The Leader raised concern at the insinuation of the lack of transparency in the budget monitoring reports and suggested that a meeting be arranged with himself, the Chair of the Committee, Councillors Jones and Guest and the Chief Officer (People and Resources) to discuss the format of

budget monitoring reports. The Chair proposed the suggestion and it was duly seconded.

The Chair raised concern at the budget for Streetscene and Transportation and the impact on the rest of the service if the overspend in waste services continued to increase.

Councillor Jones also sought clarification on the variance of £0.404m for Social Services for Adults – Locality Teams (Localities). The Leader responded that the increase in demand should be considered by the Social and Health Care Overview & Scrutiny Committee and the Member Engagement Manager confirmed that performance reporting, which would include this issue, was to be submitted to the November 2014 meeting of that Committee. Councillor Jones also referred to the resolution on minute number 27 on page 12 of the agenda.

In response to a question from the Chair about work as a result of the Early Voluntary Redundancy programme, the Chief Officer (People and Resources) said that it was anticipated that the changes on work allocation and job redesign would be minor and would not need to be submitted to this Committee.

RESOLVED:

That the report be noted.

Capital Programme (Month 4)

The Chief Officer (People and Resources) introduced a report to provide Members with the Month 4 capital programme information for 2014/15 which would also be submitted to Cabinet on 16 October 2014.

The table at paragraph 3.01.1 set out how the programme had changed during 2014/15 with the revised figure being £31.234 for Council Fund and £12.636 for HRA and full details were provided in appendix A. The capital expenditure compared to budget was detailed in paragraph 3.04 and showed an underspend of £0.122m. The rollover into 2015/16 was reported in paragraph 3.05.2 and detailed in Appendix B. The financing of the programme was summarised and it was reported that the element of the Council Fund total financed from general (non-specific) financing resources, relied in part on the generation of capital receipts from asset disposal. There was a projected shortfall to 2015/16 of £0.843m and any capital receipts received would be used to reduce the shortfall.

RESOLVED:

That the report be noted.

34. FORWARD WORK PROGRAMME

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

He detailed the items which were due to be considered on 13 November 2014 and explained that the Workforce Information update report would also be submitted to that meeting. The Member Engagement Manager advised the Committee that a letter had been sent to invite them to a meeting of Housing Overview & Scrutiny Committee to consider Welfare Reform rather than both Committees considering it separately.

The People Strategy workshop which was due to be held on 20th October 2014 would now be held in November or December. The Chief Officer (People and Resources) explained that it had been postponed due to the ongoing work on the business plan process.

The Member Engagement Manager explained that it had been agreed by the Leader and Chief Executive that budget workshops were to be held during week commencing 27th October and 3rd November 2014. He would discuss possible date options with the appropriate Chairs of Committees and suggested that the workshop for Corporate Resources Overview & Scrutiny Committee be held on 27th October 2014.

Councillor Richard Jones asked that an update on appraisals be submitted to the November 2014 meeting of the Committee prior to the full report being considered in February 2015. The Chief Officer (Governance) indicated that the information would be included in the Performance Monitoring report which was to be submitted to the November 2014 meeting.

RESOLVED:

- (a) That the Forward Work Programme be approved as submitted;
- (b) That an update report on appraisals would be incorporated into the Improvement Plan monitoring report to be submitted to the November 2014 meeting of the Committee; and
- (c) That the Committee agreed to the budget workshops for Corporate Resources Overview & Scrutiny Committee being held on 27 October and 3 November 2014.

35. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

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

(The meeting started at 10.00 am and ended at 11.38 am)

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Chair