

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
2 JULY 2014

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held at County Hall, Mold on Wednesday, 2 July 2014

PRESENT:

Councillors Marion Bateman, Clive Carver, Paul Cunningham, Peter Curtis, Ian Dunbar, Andy Dunbobbin, Robin Guest, Ron Hampson, Joe Johnson, Richard Jones, Richard Lloyd, Tim Newhouse, Paul Shotton, Carolyn Thomas and Arnold Woolley

ALSO PRESENT:

Councillor Ian Smith attended as an observer

APOLOGY:

Cabinet Member for Corporate Management and Chief Officer (People and Resources)

CONTRIBUTORS:

Leader of the Council and Cabinet Member for Finance and Chief Executive
For minute numbers 5 and 6 – Policy and Performance Manager and Mr. Paul Goodlad from Wales Audit Office
For minute number 8 (agenda item 9) - Corporate Finance Manager and Finance Manager

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

1. APPOINTMENT OF CHAIRMAN

The Member Engagement Manager sought nominations for a Chairman for the Committee. Councillor Robin Guest proposed Councillor Richard Jones which was duly seconded and Councillor Ian Dunbar proposed Councillor Carolyn Thomas which was also duly seconded. On being put to the vote the nomination for Councillor Carolyn Thomas to be Chair of the Committee was carried.

Councillor Clive Carver and Councillor Robin Guest sought clarification on why the meeting had been moved from 12 June 2014 and the Member Engagement Manager and Councillor Tim Newhouse, as the previous Chairman of the Committee, provided a detailed response.

Councillor Arnold Woolley queried when the agenda had been made available as he had not received his papers until Monday of this week and he indicated that the appendix to agenda item 10 Workforce Information Report had not been made available to Members as reflected in the report. The Member Engagement Manager apologised for the appendix not being available until today and advised that the agenda had been despatched on the correct date. Councillor Richard Jones suggested that agenda item 10 be deferred from this meeting as Members had been unable to consider the appendices to the report.

The Chief Executive advised that the substantive report, to which the appendix related, had been published within the full agenda and was for information only. On being put to the vote, the proposal to defer the item was lost.

RESOLVED:

That Councillor Carolyn Thomas be appointed Chair for the Committee

2. APPOINTMENT OF VICE-CHAIRMAN

The Member Engagement Manager sought nominations for a Vice-Chairman for the Committee. Councillor Paul Shotton proposed Councillor Peter Curtis which was duly seconded.

RESOLVED:

That Councillor Peter Curtis be appointed Vice-Chairman for the Committee.

3. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

4. MINUTES

The minutes of the meeting of the Committee held on 8 May, 2014 had been circulated to Members with the agenda.

Matters Arising

Councillor Peter Curtis indicated that he had not received a response to his question about why owners of vans needed to take their vehicle to Alltami depot for inspection after they had produced their log book at the Flintshire Connects office. The Member Engagement Manager advised that he had circulated a response to the Committee Members by email the previous day, which he read out. Councillor Arnold Woolley raised concern that van drivers could renew their permit for using a Council recycling site to dispose of waste and then attach a business logo on the vehicle after the permit had been renewed. It was felt that the operatives at the depot would advise the appropriate staff if this occurred. The Chief Executive said that it was important that the issue of permits was regulated and the Chair suggested that a report be submitted to a meeting of the Environment Overview & Scrutiny Committee.

On the issue of van permits on page 3 of the minutes, Councillor Richard Lloyd said that he had asked that the use by van permit holders be permitted at the Sandycroft site and not that another waste site be found, as was recorded in the minutes. In response to a comment from Councillor Clive Carver on the use of vans, the Member Engagement Manager said that he would obtain information on the issue of van permits and would email a response to the Committee. Following a discussion, it was also agreed that responses to requests made at meetings for additional information be circulated to Members several days before the next meeting.

In referring to the issue of costs for the leachate treatment plant, Councillor Marion Bateman, on behalf of Councillor Haydn Bateman, said that if a more realistic estimate had been put on the leachate, then the problem of funding would not have occurred. The Member Engagement Manager responded that this had not been possible as the quality of the leachate had not been known previously.

Councillor Richard Jones said that his request for scrutiny of the 46 Value for Money (VFM) projects had not formed part of the resolution and he queried why the information had not been included on the agenda for this meeting. The Chief Executive responded that the progress of the VFM projects would form part of the monthly budget monitoring reports from Month 3 onwards which would be submitted to Cabinet and this Committee from, the next cycle of meetings.

RESOLVED:

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

5. ANNUAL IMPROVEMENT REPORT FROM WALES AUDIT OFFICE

The Chief Executive introduced a report to update Members on the Council's Annual Improvement Report 2013-14 which will be published by the Auditor General for Wales and to provide Members with the Council's response. He introduced Mr. Paul Goodlad from Wales Audit Office (WAO) to the Committee.

He explained that the Council had two principal annual reports from the WAO with the second being received in October. The report which was very positive, and was the best one that the Council had received in recent years, had also been submitted to Cabinet and Audit Committee; it illustrated that the Authority was governed well and was performing well, and had listened the comments of WAO made in previous reports and improved its arrangements for performance management and reporting accordingly.

Mr. Goodlad reiterated the comments about the positivity of the report which he was pleased to present to the Committee. The report covered the evaluation of governance and services at Flintshire County Council. In summary, Mr. Goodlad said that the Council had made good progress against the improvement priorities and had improved its overall performance against the national indicators. The WAO had not made any new recommendations or proposals for improvement and appendix 5 summarised the status of the previous recommendations and proposals for improvement. WAO was confident that the Council had recognised what needed to be done and had taken the appropriate action to ensure that this was undertaken. However, it was important to recognise the scale of the financial challenges ahead and Mr. Goodlad said that WAO would continue to provide support to the Council.

On performance, Mr. Goodlad explained that data for 2012-13 had been considered and had been updated where information from 2013-14 was available. Action had also been taken by the Council to strengthen its approach to performance evaluation, and the need for further work to harmonise its

improvement planning and performance reporting arrangements had been acknowledged by the Council. The Auditor General's Improvement Letter of December 2013 had concluded that the Council had discharged its improvement reporting duties under the Measure. Mr. Goodlad added that improvement reporting for 2013-14 was much improved. The Council had enhanced its arrangements for planning and supporting improvement, but further action was required to provide the rigour necessary to cope with the challenges ahead. The Auditor General's September 2013 Letter raised concerns that some aspects of the Council's improvement arrangements remained underdeveloped. However, six months later, there were clear signs of the Council taking action to strengthen its improvement arrangements including the development of a medium term financial plan that explained how the Council expected to balance its budgets. Previously concerns had been expressed about slippage but in 2013-14 significant progress had been made.

The Council had embarked on a programme of organisational development and so far this had been risk managed well and a lot had been achieved in a short space of time. Paragraph 72 highlighted the challenge faced by the Council with the assumption of efficiency savings of £12m during 2014-15. Mr. Goodlad explained that appendix 5 reported that two recommendations had been closed down as a result of work undertaken by the Authority.

Councillor Ian Dunbar welcomed the report which he felt showed a forward looking Council. He said that the fact that there were no new recommendations or proposals was a positive sign of the significant impact made on the issue of improvement. He suggested that the good news story be put out onto social media as it highlighted to residents that the Council was protecting front line services. The Chief Executive responded that the document was available on the Council's website and had been reported in a standard press release - it was also important to make Members and the workforce aware of and interested in the report.

Following a question from Councillor Ron Hampson about the selling of Council assets to fund the budget gap, the Chief Executive said that in recent years the Authority had had difficulty in achieving its pre-set capital receipts targets. A report would be submitted to the next meeting of Cabinet which would provide details of the current situation on the capital programme.

In echoing the comments about the positive report, Councillor Paul Shotton said that it was pleasing to see no additional recommendations from WAO for the second year running. He referred to the difficult challenges ahead but added that closing the £15.5m budget gap had been a significant achievement.

Councillor Robin Guest said that it was a mostly positive report but said that some negative points had also been raised. He referred to paragraph 29 about homelessness in Flintshire and asked whether the year-end performance data was available yet to confirm whether performance had subsequently improved, as had been reported in Council reports during 2013-14. He also queried why a reference to extra-care housing was included in the section about new affordable homes target. Councillor Guest said that performance in Social Services was generally extremely good and welcomed the comment about the

strong interdepartmental working within the Council as identified by the Care and Social Services Inspectorate for Wales (CSSIW). He raised concern about the ability to deliver organisational change under the School Modernisation Strategy and the national 21st Century Schools programme. Councillor Guest highlighted the comments on the need for effective and disciplined in-year financial management to ensure that budgets were managed effectively and prompt action taken to mitigate the impacts should variances occur. He also referred to the delivery of the organisational change programme putting significant pressure on both officers and Members and sought assurance that detailed information would be provided to Members on the progress made on the delivery of the programme. He added that the report celebrated areas where improvement had been made and identified challenges where the Council was not performing as well.

On the issue of homelessness, the Policy and Performance Manager said that the performance figures for 2013-14 for homelessness prevention had increased from 83% to just under 85% and as a result of this a target of 90% had been set for 2014-15, despite an increase in the number of people presenting themselves as homelessness.

The Chief Executive accepted the comments about the need for Members to be provided with detailed information about organisational change. On the issue of VFM raised earlier by Councillor Richard Jones, he said that the Council had not before planned the scale of reduction in workforce that was required and the programme in hand remained a risk to deliver.

Councillor Jones said that he appreciated that the report was positive but that was a need to ensure continual improvement for the future. He referred to paragraph 21 on the Council's approach to channel shift and queried what was meant by the final sentence. Councillor Jones raised concern about the amount of time homeless households spent in temporary accommodation and asked why there had been a reduction in the number of new affordable homes that the County had benefited from, with the number reducing to 57 new affordable homes during 2012-13 compared with 71 in 2011-12. He asked for details of the six out of 10 indicators for monitoring of children's services which had deteriorated, as referred to in paragraph 33, and queried why the issue of dementia was now covered across a series of services instead of by a dedicated post of dementia officer. He indicated that more information was needed of the impact of performance for collaborative projects and that further explanation was required on the uncertainty about delivery of organisation change of the School Modernisation Strategy.

In response, Mr. Goodlad explained that this was as a result of the Council's own evaluation at the end of 2012-13 and that the assessment would be revised now that the results of 2013-14 were known. The Chief Executive explained that the Council had decided not to give a 'green' status for performance where the issue was complex and a risk but added that feedback from Welsh Government on the C21st Schools Programme for schools at Shotton, Connah's Quay and Holywell showed that Flintshire County Council was one of the top performing authorities. He added that the authority was ready to progress with projects but was awaiting Ministerial approval, hence the risk rating.

The Leader of the Council also welcomed the positive report and the balanced view and comments made by Members. He was mindful of the information within the report that the Council needed to consider, such as the issue of homelessness and the need to recognise work required in the context of society changes and welfare reform. He was keen to examine in the future the comment that Flintshire schools provided VFM with the option for further efficiencies and he took comfort from the comments about housing. He echoed the remarks of the Chief Executive about the importance of communicating the positive aspects of the report to the workforce to show them how their efforts had contributed to the Council's success and the achievements they should be proud of.

On the issue of affordable housing, Mr. Goodlad said that it was difficult for Council's to achieve the target unless they were able to develop the properties themselves. Councillor Jones felt that if Councils adhered to affordable housing policies, this would help them achieve the targets set. The Chief Executive said that the development of sites was subject to the outcome of the planning process and pre-set targets for affordable new-build homes were not easily controlled by the Council.

Mr. Goodlad said that he did not have the details of the six indicators for monitoring of children's services which had deteriorated but the Chief Executive advised that the indicators included the actioning of assessments on time. He added that he would provide Councillor Jones with a copy of the recently re-adopted Dementia Strategy. On the issue of channel shift, Mr. Goodlad said that measuring the number of people who visited the Council's website did not provide an indicator of whether they had been able to access the service they required.

Councillor Guest pointed out that a number of comments had been made about there being no new recommendations from WAO but he reminded Members that the original recommendations were still in place.

In referring the earlier comments and the overriding concerns of the report on the financial management of the Council, the Chief Executive said that the challenge of the Medium Term Financial Plan (MTFP) was a great concern to officers.

Councillor Peter Curtis felt that issues of homelessness and affordable housing were issues that were beyond the Council's control.

In response to a question from Councillor Jones about the reduction of the schools maintenance backlog which had reduced from £35m to £23.6m since 2010, Mr. Goodlad said that this related to a number of schools which had closed and therefore no longer accrued maintenance costs. The Chief Executive explained that the Council's response was provided on page 50 and that the figure had now increased to £25.8m for 2013/14 following a resurvey of 75% of primary schools. Councillor Jones suggested that the issue be referred to Lifelong Learning Overview & Scrutiny Committee and on being put to the vote, was agreed by the Committee.

RESOLVED:

- (a) That the Annual Improvement Report and the Council's response be noted; and
- (b) That the Schools Maintenance backlog issue be referred to Lifelong Learning Overview & Scrutiny Committee for monitoring.

6. WAO PERFORMANCE AUDIT REGULATORY PROGRAMME 2014-15

The Chief Executive introduced a report on the proposed Regulatory Programme for Performance Audit for the Wales Audit Office (WAO) for the period 2014-15 and the reduction in fees for the performance and financial audit work programme.

The performance audit work for 2014-15 was detailed along with the fees for the work which was an indicative total fee of £320,394. Mr. Goodlad from Wales Audit Office explained that the performance audit work fee was 9.4% lower than for 2013-14 and the Local Government fee had also reduced by 5.4%. A refund of 15% of the 2013/14 audit fees was due to the Council because of a change in the WAO governance and the WAO no longer being able to generate reserves; this figure would be confirmed shortly. He added that the largest piece of regulatory work to be undertaken in 2014/15 was the corporate assessment which would include observing meetings. He explained that the Council would receive a certificate in place of the two letters which would include an explanation of whether the Council was fulfilling its statutory requirement.

In response to a query from Councillor Clive Carver about the last bullet point on page 59, Mr. Goodlad confirmed that the WAO could no longer charge VAT on Local Government work and as the fee must cover the costs, a corresponding increase in fees of an average of 3.8% has been introduced. Councillor Robin Guest queried this as he would have expected a reduction in fees, not an increase. He also said that the report indicated that the fee would be over a 12 month period and asked when it would be carried out and reported. The Chief Executive reminded Members that the change was as a result of a VAT ruling by Her Majesty's Revenue and Customs following the reform of the governance of WAO under new legislation. Councillor Andy Dunbobbins felt that the paragraph following the last bullet point on page 59 provided assurance on the issue.

Councillor Richard Jones felt that any informal letters should be made available to the Committee to assist with scrutiny and in response, Mr. Goodlad said that he would liaise with the Chief Executive and the Policy and Performance Manager on timescales of when each piece of work would be delivered. He confirmed that the certificate referred to earlier would not provide the Council with the level of detail previously provided but a way of informing the Authority of any significant issues would be discussed. Councillor Jones suggested that a representative from the WAO attend Committee meetings when the letters would have been received to allow the Members to receive information on the detail before the certificate was issued and to allow their comments and questions to be considered.

RESOLVED:

- (a) That the proposed WAO Regulatory Programme for Performance Audit 2014-15 be noted; and
- (b) That the reduction in fees be noted.

7. IMPROVEMENT PLAN 2014/15

Councillor Robin Guest said that as a result of the 12 June 2014 meeting being deferred, the Improvement Plan had been adopted by the Council at its meeting on 24 June 2014. He asked whether the committee should now consider the report.

The Chief Executive gave the assurance that there was no plan to make amendments to the Plan in-year, as explained at full Council, and added that any change would need to be agreed by Members through the Cabinet and Overview & Scrutiny reporting cycle. Councillor Richard Jones felt that any proposed changes should be ratified by the full County Council.

RESOLVED:

That the report be withdrawn from the agenda.

8. REVENUE BUDGET MONITORING 2013/14 (MONTH 12)

The Corporate Finance Manager introduced a report to provide Members with the Revenue Budget Monitoring 2013/14 (Month 12) information for the Council Fund and Housing Revenue Account (HRA) which had been submitted to Cabinet on 17 June 2014.

For the Council Fund, the projected net in-year expenditure was reported to be £3.152m less than budget, which was an increase of £0.937m on the £2.215m reported at Month 11.

The movements related to three main areas as detailed in paragraph 3.02 of the report and the Corporate Finance Manager briefing explained the movements in relation to Community Services, Finance and Central & Corporate items.

A number of carry forward requests had been reviewed during the month and had been identified as requiring carry forward into 2014/15. The requests were detailed in Appendix 10 and the Corporate Finance Manager advised that the requests had been approved at Cabinet on 17 June 2014.

Progress on the efficiencies included in the 2013/14 budget was detailed in paragraph 3.06, which currently indicated that £4.213m of the £5.331m (79%) would be achieved, resulting in a net under-achievement of £1.118m; the full details were provided in appendix 9.

On the issue of Non Standard price inflation, the Corporate Finance Manager explained that an amount of £0.036m remained unallocated and was

included in the projected underspend within Central & Corporate. Section 6 and appendix 7 provided details of the unearmarked reserves and indicated that the current projected level of the contingency reserve at the end of March 2014 was £5.093m.

The HRA was projected to have an overall underspend of £0.124m and a projected closing balance at Month 12 of £1.533m, which at 5.36% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%; full details of the significant variances in the HRA were included in appendix 8. Within the Month 11 report, an amount of £0.085m was approved to be carried forward to fund software costs in relation to job scheduling and Personal Digital Assistant (PDA) hand held devices. A further review in Month 12 had identified that the amount needed to be carried forward was £0.180m (£0.070m for PDAs and £0.110m for software).

Councillor Richard Jones referred to the underspend of £0.344m in Community Services and asked for details of the factors that had contributed to the figure and for information on what residents were being charged for. The Finance Manager advised that the underspend was partly due to an increase in the number of self funding residents which meant that there had been an increase in the income received. The Leader of the Council said that he was not aware of any changes to charges for residential services and that any future changes would be reported to the Committee. Councillor Jones felt that a number of items that used to be paid for by the Council were now charged back to the residential homes and the charge passed on to the residents.

RESOLVED:

That the report be noted.

9. WORKFORCE INFORMATION REPORT

The Chief Executive introduced a report to provide Members with an update for the fourth quarter 2013/14 for the following:-

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

He explained that the headcount figure had reduced for quarter 4 because of the removal of relief and school supply workers and dormant posts. The absence figures for 2013/14 showed an improvement of 0.28 FTE days lost from the comparative quarter in 2012/13 but did not meet the target set for 2013/14. The Chief Executive welcomed the increase in the number of employees (44%) who had achieved 100% attendance throughout 2013/14.

Councillor Richard Jones suggested that appraisals for managers should include an indicator that the appraisals for all of the staff that reported to them be

undertaken. The Chief Executive advised that in the autumn, all of the Senior Managers would have their appraisals and then the appraisals of lower management levels would also be synchronised. This suggestion would be included in the renewed appraisal approach.

Councillor Marion Bateman requested that a breakdown of short and long term absences could be included in future reports.

RESOLVED:

That the Workforce Information Report for quarter four 2013/14 be noted.

10. FORWARD WORK PROGRAMME

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

He explained that since the publication of the Forward Work Programme which included the next meeting as being on 10 July 2014, industrial action had been called for that day and it was therefore proposed that the meeting be changed to 30 July 2014 with a 9.30am start. The following reports would be submitted to the rearranged meeting on 30 July 2014 in addition to the two items reported in the Forward Work Programme for the original date of 10 July 2014:-

1. Year End Improvement Plan Monitoring Report
2. Year End Service Performance Report
3. Capital Programme 2013/14 Outturn
4. Revenue Budget Monitoring 2014/15 (to include monitoring of the 46 Value for Money projects)

The Chair said that the minutes approved earlier indicated that reports on Agile Working and Health & Wellbeing be reported and in response, the Member Engagement Manager advised that they would be considered at a future meeting scheduled in the autumn.

RESOLVED:

That the Forward Work Programme be approved with the amendments suggested at the meeting.

11. 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 11.50 am)

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Chair