

ORGANISATIONAL CHANGE OVERVIEW & SCRUTINY COMMITTEE
15 FEBRUARY 2016

Minutes of the meeting of the Organisational Change Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold on Monday, 15 February 2016

PRESENT: **Councillor David Roney (Chairman)**

Councillors: Clive Carver, Chris Dolphin, Ian Dunbar, Andy Dunbobbin, Brian Dunn, Robin Guest, Ron Hampson, Dave Mackie, Mike Reece, Paul Shotton and Nigel Steele-Mortimer

MEMBERS OF SOCIAL & HEALTH CARE OVERVIEW & SCRUTINY COMMITTEE PRESENT: Councillors Carol Ellis, David Healey and Mike Lowe

CONTRIBUTORS: Councillor Aaron Shotton, Leader & Cabinet Member for Finance; Councillor Bernie Attridge, Deputy Leader & Cabinet Member for Environment; Councillor Kevin Jones, Cabinet Member for Waste Strategy, Public Protection & Leisure; Councillor Chris Bithell, Cabinet Member for Education; Councillor Christine Jones, Cabinet Member for Social Services; Chief Executive; Chief Officer (Organisational Change); Facilities Operations Manager; Principal Leisure Services Officer; Principal Librarian; Senior Manager, Integrated Services, Lead Adults; Planning & Development Officer and Sports Development Officer

IN ATTENDANCE: Member Engagement Manager and Committee Officer

44. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

Councillor Ron Hampson declared a personal interest in Agenda Item 4 'Alternative Delivery Models' as his son attended Glanrafon Day Centre.

45. MINUTES

The minutes of the meeting held on 11 January 2016 were submitted.

Councillor Dave Mackie asked that the minutes be amended to reflect his comments that any local groups setting up a community library should be able to access books through the library management system. The charge of £5 per head to be added to the library management system was not an additional cost as this was already being covered.

In recalling the debate on this item, the Chief Executive said that actions to follow up on comments and suggestions on the system and its limitations were being addressed separately.

RESOLVED:

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

46. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded from the meeting as the following item was considered to be exempt by virtue of paragraphs 14 and 15 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

47. ALTERNATIVE DELIVERY MODELS

Councillor Aaron Shotton introduced a report to seek views on the final draft business cases of Alternative Delivery Model (ADM) proposals for Leisure & Library Services, Facility Management Services, and Day Care & Work Opportunity Services, prior to consideration by Cabinet. Feasibility studies and progress on the early stages of business planning had been shared with the Committee in September 2015. Councillor Shotton said there was a need to pursue ADMs as a different approach to sustain services and jobs, due to the significant financial challenges, and that lessons could be learnt from the experience of English authorities. The report gave the opportunity for the Committee to understand and scrutinise emerging proposals which had been subject to challenge by the respective Cabinet Members. The views of the Committee would be reported to Cabinet in March 2016 when seeking approval of the business plans.

The Chief Executive said that feedback from national partners, including the Welsh Government, confirmed that the Council's programme on ADMs was amongst the strongest in Wales. He explained that employees, Trade Union colleagues and stakeholders had been involved in the process, and that the enthusiasm to identify a sustainable model was positive. The target for ADMs to achieve minimum savings of 30% over time would require open-minded consideration of proposals.

The Chief Officer (Organisational Change) referred to the significant progress made to date and highlighted the nine key lines of enquiry to assist Members in assessing the robustness of the draft business plans.

Facilities Management

The Facilities Operations Manager gave a presentation on the portfolio of Facilities Management, covering the business plan for the independent company with TECKAL exemptions to maintain service provision in the public sector whilst supporting expansion into the private sector. On the key risks, he pointed out the importance of employee acceptance on cultural change.

Councillor Clive Carver referred to the financial assumptions in the business plan and asked whether schools were VAT registered, pointing out the implications and delays in reclaiming VAT. The Chief Officer stated that specialist advice had been taken on VAT which was a complex area and that further advice would be sought on the query.

The Chief Executive said that this did not undermine the financial business proposal. He gave a commitment that any significant queries on the business plans, which required a full response, would be referenced in the Cabinet report to provide assurance on addressing risks.

It was clarified by Councillor Kevin Jones that although children's school meals were VAT free, service elements could be subject to VAT. Councillor Bernie Attridge advised that a detailed report on the VAT arrangements would be shared with the Committee.

Councillor Dave Mackie welcomed the level of information in the report and asked if it was possible for fuller access to be given to any detailed spreadsheets appended to the reports. The Facilities Operations Manager agreed to discuss separately with Councillor Mackie a number of questions which he had prepared. On comparisons between the projected efficiencies and figures in the financial plan, he explained the variance between trading days in the school year as opposed to the financial year. Following queries on other figures, Councillor Mackie felt that Members should be able to view comparison based on what could be achieved if the services were kept in-house against what the ADM could achieve. The Facilities Operations Manager explained that the financial plan showed the current position with the forecast predicted for the new company.

The Chief Executive said that a more commercial emphasis was required for the company and thanked the Manager and his team for their progress thus far.

Councillor Paul Shotton stated the importance of protecting jobs through ADMs and asked whether the projected efficiencies could be achieved in view of the living wage requirements. In responding, explanation was provided on the findings of market research which had been undertaken.

Councillor Robin Guest sought more detail on the Board of Directors to ensure there was accountability and a mix of officer/Member representation. Whilst further discussion on this matter would be required, it was acknowledged that the necessary balanced mix of skills would be required involving Members, officers and Trade Union colleagues, with the potential for external appointments to add commercial expertise where this was not available internally. Councillor Aaron Shotton referred to the governance model for NEW Homes, which had proved successful.

Councillor Guest also commented on the difficulty in measuring culture change and the limitations on external trading which could pose a significant risk to achieving outcomes. In accepting that there was a level of risk in the competitive market, the Chief Executive pointed out the options available to the Council in bidding for external contracted work. The Facilities Operations Manager added that the new company would be building on the Council brand as a trusted source.

Councillor Attridge reiterated that the proposals had been subject to challenge by Cabinet Members and that he had sought assurance on the advantages and disadvantages. He added that each model required testing and that it was important to share the detail with Members.

In response to a question from Councillor Ian Dunbar, the Facilities Operations Manager pointed out the advantages of developing working partnerships with other organisations, however, discussions had not yet taken place. On school meals, he spoke about the potential to develop this area to make the service more accessible and convenient whilst retaining quality.

Following comments from Councillor Clive Carver, the Facilities Operations Manager provided explanation on other areas of the business plan to expand services and agreed to check on arrangements for luncheon clubs in schools.

In response to the comments made, the Chief Executive said that the substantive core business was established with both opportunities and competitors in the wider market place.

In summing up, the Member Engagement Manager confirmed the comments raised about clarity on VAT arrangements and luncheon clubs, cost comparison if retaining in-house service delivery, concerns on restrictions to trading levels, and the commitment to reference concerns in the report to Cabinet.

Libraries and Leisure

The Principal Leisure Services Officer and Principal Librarian gave a presentation on the portfolio of Leisure and Libraries, covering the main elements of the business plan to develop an employee owned mutual.

Following a question from the Chairman, explanation was given on the approach to changing Human Resources policies.

Councillor Mackie commented on the figures in the plan and stressed the need for contingency reserves. The Principal Leisure Services Officer gave assurance that the business plan had undergone thorough remodelling, with reserves built in. The Chief Executive said that consideration could be given to the Council providing a one-off contingency reserve as a protective measure for the risk of operational deficits in the early years.

In response to questions from Councillors Mackie and Carver, explanation was given on eligibility for National Non-Domestic Rate (NNDR) relief.

Whilst Councillor Chris Dolphin welcomed the aim of the proposals, he expressed concerns about the speed of the process and profitability. Councillor Aaron Shotton referred to interpretation of terminology, reminding Members that the business plan was in draft at this stage and that no decisions had yet been made. In acknowledging the comments raised, he pointed out that each model was different and was a learning curve for all, with the objective around

identifying other routes to sustain services and achieving efficiencies, rather than profits.

Councillor Dolphin remarked on the need to involve the Betsi Cadwaladr University Health Board (BCUHB) in providing opportunities to help individuals to stay healthy. This prompted discussion on the difference between ADMs and Community Asset Transfers and the continued engagement with BCUHB on the referral of individuals to leisure centres.

Councillor Guest said that it was necessary to achieve profit to sustain the model and raised concerns about accountability and involvement from Members. The Principal Leisure Services Officer replied that the Council would remain the largest customer of the new company and that robust performance management arrangements would be developed. Whilst the Board arrangements were part of the Business Plan, they did not exclude the possibility of Council Member representation. Councillor Guest felt that the Cabinet report should clarify the advantages achievable from the model as opposed to continued in-house service delivery. Comments on the use of the term 'subsidy' led to discussion on the need for a level of Council finance to provide services and the recognised importance of protecting leisure centres.

Following questions from Councillor Dunbar, explanation was given on the new company increasing its customer base and developing new products, the development of the Client Management function and the need for Service Level Agreements for dual roles.

Councillor Andy Dunbobbin asked whether the loan arrangements were adequate to address any necessary building work. The Principal Leisure Services Officer explained about the use of the capital loan whilst the review of building condition surveys would clarify any further work needed. Once the loan had expired, the money would be redirected to replacement resources or investment in further facilities.

When asked by Councillor Ron Hampson asked about any changes to building opening hours, officers replied that the objective was to adapt to the market, allowing for some flexibility.

Councillor Paul Shotton welcomed the prospect of ADMs in sustaining leisure services and highlighted good communication as a key factor in increasing marketing. In response to a question, officers advised that there were a number of additional funding streams which had not been included in the business plan.

Councillor Kevin Jones referred to the positive discussions with employees and Trade Unions on the opportunities available through the proposals and hoped that these would continue.

The Member Engagement Manager summarised the comments raised on the 80% NNDR relief, explaining the advantages of ADMs over direct service provision, careful use of terminology and the role of premises subject to Community Asset Transfers.

Social Services - Learning Disability Service, Day Opportunities Transformation Plan

A presentation was given by the Senior Manager, Integrated Services, Lead Adults covering the business plan for the relocation of Glanrafon Day Centre and commissioning of service provision, together with the move to a new social enterprise company for work opportunities. She highlighted the high quality and popularity of the Learning Disability service and felt that the ADM was the right approach to continue this. The current opportunities to grow the service were limited and the proposals identified a different way of progressing services through grant funding.

Councillor Mackie stated his general support for the proposals but had concerns about the use of inappropriate venues and capacity of support managers to ensure duty of care. He welcomed the model to train young people who could then progress in the same location with continued support. The Senior Manager gave assurance that building locations were being reviewed including the possible relocation of Estuary Crafts.

As Chair of the Social and Health Care Overview & Scrutiny Committee, Councillor Carol Ellis highlighted the importance of achieving outcomes for the benefit of individuals using the services. She shared views on the high standard of current services and the need to remodel Glanrafon Day Service Centre, which she suggested could be located on the same site as Estuary Crafts. She stated that more detail was required on the location of Glanrafon and timescale of the project with assurance needed on the transition for service users progressing elsewhere. She raised concerns about the capacity of service to cope with increasing demand and the impact of the assessment and placement review on individuals and their carers.

The Senior Manager spoke about the phased approach starting with tendering for service provision. She made reference to the preferred area for Glanrafon and confirmed that co-locating services would be considered wherever possible. In respect of the assessment and placement review, there would be no reduction in services for the current cohort and individuals would be placed appropriately. Whilst there would be no change for some individuals, others could be supported to develop skills and receive training to contribute to other services. In terms of capacity, the present arrangement did not allow for individuals moving through the service, however the proposal would enable work with the Council, colleges and businesses to train individuals on basic skills and a buddying system to provide support in the workplace, hence freeing up capacity. In recognition of the respite care element, provision would be reviewed although no changes were envisaged. Working in partnership with the North East Wales Carers Information Service (NEWCIS) would provide opportunities for carers/volunteers in the workplace and would increase capacity.

Councillor Mackie expressed concern that a decision had not yet been made on the relocation of Glanrafon which he hoped would be central. In response to a further comment, the Senior Manager gave assurance that the robust consultation process had involved service users and their families.

On day care provision, Councillor Hampson stressed the importance of a high ratio of staff to service users and sought assurance that the high quality of service would be maintained. He suggested that the Council's assets could be used to provide funding for the Day Centre without the need to pursue an alternative provider. The Senior Manager shared details of the plans for the new build which provided signposting and a greater oversight of individuals and their levels of independence. She expected staff ratios to be maintained both for those with a high level of need and those requiring single 'end to end' service provision.

Although a new site for Glanrafon had not yet been identified, the Chief Executive said that the project would be prioritised in the Capital Programme with due consideration given to partnerships and access to funding. Proposals could be brought forward to consider larger premises including other centres, however this would require additional capital. He welcomed the support for the model and emphasised the need for careful planning.

In summarising, Member comments were noted on the location, timescale and transition of the project, capacity to support change, outcomes of individual assessment/placement reviews and possible service providers.

RESOLVED:

- (a) That the Alternative Delivery Model Business Plans be noted; and
- (b) That the views and comments on the Business Plans be forwarded to Cabinet.

48. FORWARD WORK PROGRAMME

The Member Engagement Manager introduced the current Forward Work Programme. He suggested that the next meeting on 14 March be moved to the morning of 29 March to allow for a review of Community Asset Transfer experience to date, along with the Quarter 3 Improvement Plan report. It was agreed that the meeting would be held at an external venue to be confirmed.

The Chief Executive suggested that an item on the new business plan for Clwyd Theatr Cymru (as a variant of Alternative Delivery Model) be considered for a meeting between April - June 2016.

RESOLVED:

- (a) That the Forward Work Programme be updated accordingly; and
- (b) That the Member Engagement Manager, in consultation with the Chair and Vice-Chair, be authorised to vary the Forward Work Programme between meetings.

49. 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 1.10 pm)

.....

Chairman