

**ORGANISATIONAL CHANGE OVERVIEW & SCRUTINY COMMITTEE**  
**17 OCTOBER 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, 17 October 2016

**PRESENT: Councillor Brian Dunn (Chairman)**

Councillors: Clive Carver, Glenys Diskin, Chris Dolphin, Andy Dunbobbin, Robin Guest, Ron Hampson, Brian Lloyd, Dave Mackie, Mike Reece and Carolyn Thomas

**SUBSTITUTE:** Councillor Peter Curtis (for Ian Dunbar)

**APOLOGIES:** Councillors Paul Shotton and Nigel Steele-Mortimer, and the Chief Executive

**ALSO PRESENT:** Councillor Billy Mullin

**CONTRIBUTORS:** Councillor Bernie Attridge, Deputy Leader and Cabinet Member for Environment; Councillor Chris Bithell, Cabinet Member for Education; Councillor Kevin Jones, Cabinet Member for Waste Strategy, Public Protection & Leisure; and Chief Officer (Organisational Change); and Chief Officer (Organisational Change)

Principal Leisure Services Officer (for minute number 20)

Facilities Services Manager (for minute number 21)

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

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

There were no declarations of interest.

**28. MINUTES**

The minutes of the meeting held on 12 September 2016 were submitted.

**RESOLVED:**

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

**29. QUARTER 1 IMPROVEMENT PLAN MONITORING REPORT**

The Chief Officer (Organisational Change) presented the regular update report to consider progress towards the delivery of the impacts set out in the 2016/17 Improvement Plan, focussing on the areas of under-performance on the priority 'Modern and Efficient Council' during Quarter 1. Overall, there had been good progress on the majority of activities and performance indicators. A summary was also given of the status of risks in the Improvement Plan.

On encouraging volunteers and active citizens, Councillor Peter Curtis highlighted the importance of ensuring ongoing provision to meet demand. In response to queries, the Chief Officer confirmed that volunteers working for new organisations on Community Asset Transfers (CATs) were subject to Disclosure & Barring Service (DBS) checks. He highlighted the importance of developing links between the register of volunteers maintained by the Flintshire Local Voluntary Council (FLVC) with organisations on key projects. He added that organisations were able to acquire the skills of relevant professionals, in addition to the support given by the Council.

Councillor Kevin Jones spoke about the link between the Council and the Board Members of the new organisations who were held accountable.

Councillor Curtis commented on the need to utilise former buildings such as Holywell Library to avoid them getting into a state of disrepair. Officers said that an organisation was currently in talks with the FLVC on the development of a new facility at that site. Plans were progressing on the transfer of the library and an update would be given at the next meeting. Assurances were also given on noise levels in the building.

Councillor Chris Dolphin requested that the transfer of Holywell Leisure Centre be deferred until the end of the financial year to meet the needs of the new organisation taking over that asset. He spoke about positive examples of CATs which could benefit communities and suggested that the Council consider periodic health checks to give some reassurance on the smooth running of transfers. The Chief Officer said that a requirement for regular reporting had been built into the process in recognition of the importance of continued relationships with the new groups. In addition to annual progress meetings, co-operative agreements were developed for larger facilities to enable key partners to meet more regularly and work through any issues.

Councillor Robin Guest stated the importance of the new organisations developing procedures to record and monitor DBS checks on their volunteer workers, whatever their role. He queried why 'no data' was recorded against progress of some of the Key Performance Indicators in the report and suggested that 'none' or 'nothing' might clarify the reason in some cases. The Chief Officers explained that this could be due to the need to report once a year and would ensure that reasons were included within the comments in future reports.

Following a question from Councillor Clive Carver, it was explained that a standard 27-year lease applied to the majority of CATs with the potential to rollover after that period into a new lease agreement.

In response to comments from Councillor Curtis on the condition of Holywell baths, Councillor Jones reported that significant work had been done to resolve historic issues. The Chief Officer confirmed that assets were being transferred in a reasonable condition and were fit for purpose. Organisations to whom assets had been transferred were able to draw upon allocated capital grant funding held by the Council to address items identified in the condition survey of the building. This was a way of investing in those buildings and improving them over time.

Whilst acknowledging the challenges in collating data for the report, Councillor Dave Mackie asked for more clarity on terminology, for example the risk on 'capacity and appetite of the community and social sectors'. This was agreed by the Chief Officer.

**RESOLVED:**

That having considered the report, the Committee supports the progress made on the 'Modern and Efficient Council' priority.

**30. FORWARD WORK PROGRAMME**

In presenting the Committee's Forward Work Programme, the Member Engagement Manager advised that a tour of Deeside Leisure Centre would be arranged for the next meeting on 21 November 2016. He would also provide confirmation to the Committee on which of the provisional budget consultation meetings would proceed.

Councillor Carolyn Thomas asked if the withdrawal of Communities First funding by Welsh Government created any risk for groups wishing to access that money for Community Asset Transfers (CATs). The Chief Officers were not aware of any Communities First groups currently involved in CATs but agreed to check.

**RESOLVED:**

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

**31. 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 items were considered to be exempt by virtue of paragraph 15 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

**32. ALTERNATIVE DELIVERY MODELS - LEISURE AND LIBRARIES BUSINESS PLAN PROGRESS**

The Chief Officer introduced an update on the completion of technical work on the Leisure and Libraries Alternative Delivery Model (ADM) to establish an Employee Led Mutual.

The Principal Leisure Services Officer gave a presentation on key work undertaken to test the robustness of the business plan, identify the best legal structure and maximise the financial position of the new organisation. This work had been completed by officers and workforce representatives working alongside

three technical professional advisors to achieve a sustainable five year business plan. The final plan would be considered by the workforce and submitted to the Committee in December 2016 prior to seeking approval by Cabinet.

In response to questions from Councillors Clive Carver and Carolyn Thomas, officers explained the approach to the co-operative agreement model between the organisation and the Council, aimed at improving outcomes and re-investing profit back into the community whilst retaining facilities and protecting jobs. Details were also given on contractual arrangements within the legal model as well as the advantages in setting up the new company as opposed to retaining the services in-house. The Chief Officer gave an assurance that after three years, there would be protection for both employees and the service being delivered under the co-operative agreement model.

Councillor Robin Guest raised concerns on the proposed co-operative governance structure and in particular, how the 'Workforce Voice' would work alongside the owners of the company. Officers explained that the shared diagram showed a level of engagement outside the governance structure and that the 'Workforce Voice' provided an opportunity to engage with workforce representatives in helping to shape the new company. The Partnership Board gave the Council an opportunity to engage with the company's Board and oversee grant aid arrangements.

Concerns were expressed by Councillor Carver about the potential for future legislative changes which could affect grants and tax benefits. The Chief Officer said that significant work had been undertaken to strengthen the business plan and he explained the actions being taken to mitigate these risks including engagement with HM Revenue & Customs. Councillor Chris Bithell pointed out the need to deal with the financial regulations in place at the present time and that other organisations were operating successfully on the same basis throughout the UK.

Following a question from Councillor Peter Curtis, it was explained that the Board and the management team would work to develop roles and responsibilities, to achieve a mix of skill sets and values.

Councillor Dave Mackie expressed his reservations about the structure, specifically the lines of governance. He drew comparisons with the Double-Click initiative and felt it would be useful to look at progress on that growth plan. He also referred to dual-use sites run by the Leisure department and pointed out that one school ran its own facilities and should be involved in discussions. The Chief Officer provided explanation on the legal model involving a lease and grant aid arrangement, with the Council retaining responsibility for the building infrastructure through the capital programme.

**RESOLVED:**

- (a) That the Committee notes the work undertaken on the business plan; and
- (b) That the Committee supports the progress made on the improved business model and financial position, the governance arrangements and the work around the ideal senior management structure.

**33. ALTERNATIVE DELIVERY MODELS - FACILITIES MANAGEMENT, BUSINESS PLAN PROGRESS**

The Chief Officer introduced an update on progress of the establishment of a Local Authority Trading Company (LATC) with TECKAL exemptions as an Alternative Delivery Model (ADM) for Facilities Management.

The Facilities Services Manager shared a presentation which had been used during extensive engagement with the workforce, supported by Trade Unions. The advantages of the LATC had been recognised during the consultation, with acknowledgement that the proposals were the best option to protect jobs and services. A list of responses to questions raised by employees was appended to the report.

In response to questions from Councillor Clive Carver, officers provided clarification on tax issues and the collection of income, with the Council as the single shareholder. Explanation was also given to Councillor Robin Guest on the transition Board which had been set up prior to the establishment of a company Board.

On the new company exploring commercial opportunities, two suggestions were made by Councillors Peter Curtis and Carolyn Thomas on facilities in the county. Councillor Curtis also stressed the importance of ensuring that cleaning services were of a high standard.

The Manager gave responses to Councillor Dave Mackie on the limit to which the TECKAL exemptions would apply and the intended method to meet the overall target of efficiencies.

**RESOLVED:**

- (a) That the Committee notes the work undertaken on the business plan; and
- (b) That the Committee supports the progress which has been made, notes the staff consultation undertaken and supports the outcome of the technical work around tax and VAT. These are the final pieces of work that need to be incorporated into the implementation plan that will be considered by Cabinet for approval.

**34. 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 11.55 am)

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**Chairman**