

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
30 JULY 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 Wednesday, 30 July 2014

PRESENT: **Councillor Carolyn Thomas (Chair)**

Councillors: Clive Carver, Paul Cunningham, Ian Dunbar, Andy Dunbobbin, Robin Guest, Ron Hampson, Joe Johnson, Tim Newhouse, Paul Shotton and Arnold Woolley

SUBSTITUTES: Councillors: Haydn Bateman (for Marion Bateman) and Mike Peers (for Richard Lloyd)

APOLOGIES: Councillors Richard Jones and the Chief Officer (Community & Enterprise)

CONTRIBUTORS: Leader and Cabinet Member for Finance, Cabinet Member for Corporate Management, Chief Executive, Chief Officer (People & Resources), Chief Officer (Organisational Change), Head of Legal & Democratic Services, Head of ICT & Customer Services, Corporate Finance Manager and Revenues & Benefits Manager

IN ATTENDANCE: Member Engagement Manager and Committee Officer

Mr. Huw Lloyd Jones of Wales Audit Office was in attendance as an observer

12. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

13. MINUTES

The minutes of the meeting of the Committee held on 2 July 2014 had been circulated with the agenda.

Matters Arising

Minute 6: Wales Audit Office (WAO) Performance Audit Regulatory Programme 2014-15 - the Chief Executive said that he had made a request to the WAO for further information on its governance arrangements and financing to answer the specific questions from the previous meeting.

RESOLVED:

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

14. FUNCTIONAL VALUE FOR MONEY (VFM) PROGRAMME UPDATE

The Chief Executive introduced an update on the Functional Value for Money (VFM) Programme and the Programme Management arrangements in place, as requested at the previous meeting. A total of £7.5m of functional VFM efficiencies were included in the 2014/15 budget, monitored through a programme management system supported by the tracking spreadsheet shared with Members which showed progress and levels of risk. This indicated that overall progress against individual targets was consistently strong. The workforce efficiencies achieved at this stage were below target with further work to be done.

The Corporate Finance Manager spoke about the monitoring process to assess progress and risk on each initiative, involving communication links between Service Heads and Finance Managers, regular review by the Functional VFM Board and updates to the Chief Officer Team. Progress on the achievement of all efficiencies included in the 2014/15 budget would be incorporated in the regular budget monitoring reports from Month 3.

Councillor Robin Guest asked whether the identification of around 40% of target workforce efficiencies had resulted in specific savings. The Chief Executive confirmed that these efficiencies had been achieved to date through the reduction of posts at all levels by voluntary agreement.

Councillor Arnold Woolley suggested that the format of the spreadsheet could be improved by avoiding the use of acronyms and replacing the colour coding with a corner flash or 'RAG' status circle to reduce printing costs and for ease of reading. The Chief Executive agreed to review this but explained that the document was a standard format used by officers and shared with the Committee. Councillor Woolley went on to suggest the inclusion of more detail on the delivery of actions, such as the allocation of workload from voluntary redundant posts, and commented on the updating of information in the spreadsheet.

In response to queries raised on efficiencies for Learning Disabilities, the Chief Executive said that consultation on changes to on-call arrangements were taking place and that the two other efficiencies questioned in this area were both achievable.

In thanking Councillor Woolley for his questions, the Chair suggested that the full list of questions be passed to the officers to enable a detailed response to be shared with the full Committee prior to the next meeting. Councillor Woolley agreed and went on to refer to the Committee's role in scrutinising. The Chief Executive agreed with this approach given that some of the issues within the spreadsheet were specialist areas and said that a response would be provided to the Committee within a week. Councillor Clive Carver asked that the questions and answers be circulated to the Committee by email as well as hard copy.

RESOLVED:

- (a) That the contents of the report be noted; and

- (b) That written responses be provided to Councillor Woolley's written observations and questions, by 8 August 2014.

15. YEAR END SERVICE PERFORMANCE REPORT

The Committee received a report to note and consider the 2013/14 year end service performance report produced under the adopted business model of the Council, covering the period January to March 2014. The responsible officers each gave a short presentation on performance, outlining work which had been undertaken to improve performance and areas where improvement was needed, as outlined within the report.

Finance

The Chair offered her congratulations to the Revenues & Benefits team for their excellent work in providing assistance.

Councillor Paul Shotton welcomed the news that the Council was the joint highest performer in Wales for the collection of Council Tax and the second highest in collecting Non Domestic Rates (NDR). He stressed the importance of residents being able to seek assistance from the Flintshire Connects offices and asked for an update on footfall at the offices. The Chief Executive said that monthly statistics would be shared with the Committee.

In response to a question from Councillor Clive Carver on Court action taken by the Council for two outstanding amounts of NDR, the Revenues & Benefits Manager explained that the two companies had exposed a legal loophole in changes to NDR charges on empty properties. He said that the Council had paid a proportion of the legal costs which could not be recovered beyond £70, as set out by the Welsh Government (WG), however an administration grant from WG was used to cover partial costs such as legal action. When asked for the approximate cost to the Council of the Court action, the Revenues & Benefits Manager estimated this to be around £9K but would confirm the actual figure after the meeting. The Leader and Cabinet Member for Finance said that the loophole was of national significance and was proud that Flintshire had been at the forefront of instigating legal action to stop this practice.

Councillor Robin Guest felt that the Council should be offered a contribution from the WG or central Government in recognition of the positive outcome from the legal action. On the success in Council Tax collection rates, the Revenues & Benefits Manager said that the emphasis of work had changed to debt management to proactively assist customers and resolve future payments which was supported by the Citizens' Advice Bureau and the Fair Debt Policy which was in place to assist households.

Councillor Mike Peers remarked on the need to improve sickness absence figures in the Council and asked that commentary in the report reflect the current position rather than stating that the target had not been met but had improved from the previous year. When asked about the amount of uncollected Council Tax, the Revenues & Benefits Manager said that this was in the region of £180K per annum.

The Chief Officer (People & Resources) commented on the need for a consistent approach to reporting attendance management and benchmarking within the new portfolio area to give a better understanding. Proactive actions were taken to address absences, with reports reflecting long and short-term absences.

The Chief Executive said that attendance figures for the Finance section were better than the corporate average. Whilst some long-term cases were justifiable, others may be a cause for concern, however there had been examples of successful negotiations in the organisation with some leading to mutual agreement on voluntary redundancy.

In response to a comment from Councillor Ron Hampson, the Chief Executive said that Flintshire's absence rates were average but that further improvements could and should be made.

Following a comment from Councillor Ian Dunbar on appraisals, the Chief Executive said that any less than 100% completion was unacceptable and that work was in hand on an improved appraisal model. He reminded the Committee that an annual appraisal was only one of the methods for supervision and management and should not be taken as a single measure of the quality of supervision within the organisation.

Human Resources & Organisational Development

The Chief Officer (People & Resources) explained that the unusually low percentage of appraisals undertaken within the section had arisen due to necessary resources dedicated to the implementation of Single Status and Equal Pay. As an update, she was pleased to report that 85% of appraisals had been completed to date, with 100% due for completion by the end of August.

The Chief Executive gave assurance that the report delivered on the Improvement Priorities with a careful, efficient and risk managed approach taken on the senior management structure, involving Trade Union colleagues and based on research from experience in English Authorities. He spoke of swift progress on Organisational Change, together with the significant task of Single Status implementation and appeals process.

Councillor Carver asked for clarification on various acronyms and asked that the full explanation be given when first used in reports.

On Data Protection, Councillor Paul Shotton commented on the need for robust procedures to combat cybercrime. When asked for the percentage of Single Status appeals and maintenance results which were favourable to employees, the Chief Officer (People & Resources) said that this would be shared with the Committee in September, following notification to employees. The completion of 300+ appeals submitted (less than the 500 estimated in the model) meant that work was now underway to check consistency of results prior to advising the workforce. The Chief Executive said that the general trend with other Councils was for 50% of appeals to be upheld.

Councillor Guest expressed disappointment in the number of Freedom of Information (FOI) requests responded to within the deadline and asked for detail on the Internal Audit report on the Disciplinary Policy. The Chief Officer (People & Resources) said that an improvement in performance was expected, following the diversion of resources, but pointed out that some FOI requests were complex and detailed which presented a challenge in meeting the 20 day response deadline. She explained that the types of issue identified as part of the audit on the Disciplinary Policy related to training/coaching of officers, but would provide the Committee with more detail on the 'high' recommendations.

The importance of managers undertaking appraisals was highlighted by Councillor Peers, who suggested that May/June was a more appropriate starting point. The Chief Executive reiterated plans to improve the appraisal model and spoke of a strong culture of '1-1' communication and supervision in place at Human Resources and in Corporate Services generally. The Chief Officer (People & Resources) made reference to the current focus on Single Status but gave assurance that robust project management arrangements remained in place to deliver on the Council's Priorities.

Councillor Arnold Woolley spoke about the importance of the Council's workforce and urged caution in progressing Organisational Change to avoid any potential impact of stress on individuals. He went on to refer to the importance of the new appraisal model in dealing with the allocation of workload resulting from workforce reduction. When asked if the target had been met for all employees in the section to complete Data Protection training, the Chief Officer (People & Resources) agreed to provide a response before the next meeting.

In response to queries from the Chair, the Chief Executive provided an update on the senior management structure and transitional arrangements where work was due to commence on separating the Organisational Change portfolios. A report would be submitted to Council in September 2014 with the options for the Monitoring Officer role.

On flexible/agile working, the Chair raised concerns about difficulties in contacting officers from some sections, particularly at certain times of the day and summer holidays. She felt that this was especially important in view of the approach to the budget consultation period. The Leader and Cabinet Member for Finance explained that some sections of the Council had piloted agile working and suggested that a presentation previously given at Cabinet to address queries from Members could be shared with the Committee at a future meeting.

The Chief Executive said that cover within departments was expected and that flexible working should benefit both the employee and employer. He spoke of work carried out with Trade Union colleagues on the Flexible Working Policy to reduce the amount of flexi leave to discourage unnecessary build-up of time. A special Group Leaders' meeting had been arranged over the summer to give more detail on the approach to the budget setting process.

In response to concerns raised by Councillor Carver about difficulties in contacting some officers working from home, the Chief Executive reinforced the expectation that officers should be accessible when working flexibly and asked that Members refer any specific cases of repeated difficulty in making contact to

him for follow-up. The Head of ICT & Customer Services agreed to look into a query regarding the use of an '0845' out of hours telephone number displayed on the Council's website. On flexible working, he advised that facilities such as voicemail and hunt groups could be used to transfer calls to another location.

ICT and Customer Services

During an update on the issuing of electronic tablet devices to Members, it was reported that 50% of Members had been issued with iPads, with 18 Members yet to indicate their preference. Councillor Mike Peers suggested that a training session would benefit Members to incorporate useful knowledge such as how to annotate documents. He welcomed the support provided by Andrew Peers in ICT but raised concerns at the lack of backup support when Andrew was unavailable. The Head of ICT & Customer Services said that full support was expected from the ICT Helpdesk, however agency workers had recently been engaged in this area who may not have been aware of the backup arrangements.

The Chair felt that it would be helpful for committee officers to provide ICT support on iPads at committee meetings. She was advised that a request had been made to the Democracy & Governance Manager for this to be an option.

Various Members spoke in support of all-Member training on iPads, including the Chair who also suggested that Members who were more IT literate could assist others. The Head of ICT & Customer Services agreed to look at what training could be arranged and encouraged all Members to use the iPads at meetings. The Head of Legal & Democratic Services referred to the significant savings achieved from the use of iPads as opposed to despatching paper agendas.

Councillor Carver praised officers in main reception and Customer Services for their prompt answering of telephone calls.

The Head of ICT & Customer Services explained that the target for call response times in the Contact Centre had not been met, despite an improvement from last year, and that discussions were underway to reconsider the target of 15 seconds which he believed was unrealistic. Councillor Guest supported this view and felt that 20 seconds would be a more realistic target.

Legal & Democratic Services

During an update on all Wales benchmarking statistics, the Head of Legal & Democratic Services was pleased to report that Flintshire was currently placed 5th lowest in relation to cost per head of population and was now 9th in terms of the number of fee earners compared to other officers.

Councillor Paul Shotton commented that the move to Individual Elector Registration (IER) would increase public engagement in the voting process. The Head of Legal & Democratic Services explained the background to this change which would help increase security on registration. A new website developed by the Government would provide information and enable individuals to register online.

In response to a comment from Councillor Guest on Flintshire's current position on income generation for the Legal service, the Head of Legal & Democratic Services explained that whilst a collaborative approach could help to share good practice, protect services and increase specialist areas, there was scope for further work around income to reduce the cost of the service that was borne by the Council. When asked about cost implications from IER, he said that savings were achievable this year due to work focussing on the 11.4% of households whose data had not matched with Department of Work & Pensions records. Work on the full canvass due in October 2015 may generate additional cost, but it was hoped that increased promotion of the Government website would encourage users to register online. It was the intention to publicise a link to that website on the Council's website and on correspondence.

Following a request from the Chair, the Head of Legal & Democratic Services agreed to reissue the information leaflet prepared by the Electoral Commission on IER to the Committee. He went on to provide explanation to Councillor Carver on the results of the Internal Audit reports which indicated a good level of assurance overall.

RESOLVED:

That the comments/observations of the Committee are fed back to the Policy, Performance & Partnerships Team who are responsible for the overview and monitoring of improvement targets, for inclusion in the report to Cabinet.

At this point in the meeting, a five minute recess was announced by the Chair.

16. YEAR END IMPROVEMENT PLAN MONITORING REPORT

The Head of ICT & Customer Services introduced a report to note and consider elements of the 2013/14 Year End Improvement Plan Monitoring Report relevant to the Committee for the period January to March 2014.

Achieving Efficiency Targets

Councillor Mike Peers asked for explanation on differences in progress on some of the value for money reviews. The Head of ICT & Customer Services referred to the spreadsheet discussed earlier in the meeting and said that efficiencies to be delivered in-year were tracked in monthly monitoring reports.

Councillor Peers felt it was unwise to describe a shortfall of £125K against the procurement cost efficiency target as a 'slight' amount. The Corporate Finance Manager said that this was a fair point although the amount was in relation to the target of £1.723m. He went on to say that the shortfall had been accounted for and offset by other efficiencies.

Access to Council Services

Councillor Peers felt that more promotion was needed on the excellent Flintshire mobile 'app' which allowed contact with the Council but felt it would be useful to include a facility to comment on previous incidents. He expressed his disappointment at the decision taken by North Wales Police (NWP) not to take up

occupancy at Flintshire Connects in Buckley. The Head of ICT & Customer Services explained that NWP had agreed to hold regular surgeries at the office but had opted not to take up permanent residence due to the cost of converting the offices to requirements.

Following a question from Councillor Arnold Woolley on Flintshire Connects branches, it was explained that North Wales Police shared accommodation in both Holywell and Flint but not at Connah's Quay.

RESOLVED:

That the report be received.

17. REVENUE BUDGET MONITORING 2013/14 (OUTTURN) AND CAPITAL PROGRAMME 2013/14 (OUTTURN)

Revenue Budget Monitoring 2013/14 (Outturn)

The Corporate Finance Manager introduced a report on the Council Fund and Housing Revenue Account (HRA) outturn for 2013/14 (subject to audit) and the impact on the respective level of reserves at 31 March 2014, as endorsed by Cabinet and reflected in the Statement of Accounts reported to Audit Committee on 16 July 2014.

For the Council Fund, the final net in-year expenditure was £3.387m less than the budget, which was an increase of £0.235m reported at Month 12. A contingency reserve balance of £5.328m was reported, as at 31 March 2014. Details of all variances against the budget were shown in the report, along with a brief overview of the year.

An update on efficiencies advised that £4.213m had been achieved during the financial year, representing 79% of the target. An overview was given of the latest position on non-standard inflation, as included in the report. The latest position on unearmarked reserves reported the final level of contingency reserve as £5.328m as at 31 March 2014.

It was explained that this would be increased to £6.073m in 2014/15 due to the repayment of exit costs (associated with Phase 1 of the senior management review) to the reserve, as a result of these costs needing to be accounted for in 2013/14. A sentence omitted from the report stated that the amount would be offset by projected costs of £0.696m incurred in 2014/15 associated with Organisational Change & Redesign and approved by delegated powers.

On the HRA, a net underspend of £0.229m was reported, leaving a closing balance of £1.662m at 31 March 2014, which was 5.81% of the total expenditure, exceeded the recommended minimum level of 3%.

In response to queries raised by Councillor Mike Peers on variances within the Council Fund and HRA, the Corporate Finance Manager agreed to circulate information on costs and the likely completion date of the investigation within Waste. He would also liaise with Housing colleagues to respond with explanation

on the sub-contractor overspend of £0.437m due to adverse weather conditions. In relation to variances in Leisure Services, it was explained that additional resources had been agreed as part of the budget process for 2014/15 to address this and that any new variances would be included in monthly budget reporting as usual.

Councillor Peers said that no supporting information had been provided to explain why the £0.060m efficiency under the Flintshire Futures Assets Workstream (Facilities Management) had not been achieved. The Head of ICT & Customer Services explained that some delays had occurred on the closure of the Connah's Quay office following the opening of Flintshire Connects, however a full response would be provided to the Committee.

As a general comment, the Corporate Finance Manager referred to the level of detail in the report and suggested that a better approach may be for Members to share questions on specific service areas in advance of the meeting to enable a full response to be given.

The Chair referred to the increase in projected underspend on Primary School Services which was primarily due to reduced demand for Early Entitlement services and raised concerns about the future of Early Entitlement funding availability which was vital to playgroups.

Capital Programme 2013/14 (Outturn)

The Corporate Finance Manager introduced Capital Programme outturn information for 2013/14 (subject to audit) which had been approved by Cabinet on 15 July 2014. Explanation on changes to each programme area which had taken place since Month 9 were reported, resulting in a decrease of £2.662m on the Council Fund, partially offset by an increase in the HRA of £0.748m.

A breakdown of the total outturn expenditure of £37.975m indicated that 95.23% of the budget had been spent across the whole programme.

A total rollover of £6.011m into 2014/15 had been approved by Cabinet to date, partially offset by the return of £0.181m to 2013/14, resulting in a net rollover total of £5.830m. Most of the £0.181m had related to expenditure on Town Centre Regeneration incurred in 2013/14 rather than 2014/15 as previously anticipated. Detail on further rollover at outturn of £1.904m was included in Appendix B to the report.

The final outturn position for capital receipts was £2.470m which reflected a decrease of £1.230m from the original budget, partially offset by the £0.038m of unallocated funding when the 2013/14 budget was set.

The Chair referred to the underspend on Primary Schools and said that these should have been priced correctly at the start or that efficiencies identified should be reallocated to the repairs and maintenance budget for schools.

RESOLVED:

That the reports be noted.

18. REVENUE BUDGET MONITORING 2014/15

The Corporate Finance Manager introduced a report to provide Members with the first available Revenue Budget Monitoring information for 2014/15 (as at Month 2) for the Council Fund and Housing Revenue Account (HRA) as approved by Cabinet on 15 July 2014.

The level of detail contained within the report had been impacted by the need for resources to be diverted to work on the closure of the accounts for 2013/14 within the statutory deadline, however communication was continuing with service managers on changes in demand to their respective areas.

Some emerging issues and risks had been identified, as detailed, and included out of county placements, deprivation of liberty assessments, professional support (leaving care), Single Status and the former Euticals site.

No significant variations had been identified in the HRA.

The position on unearmarked reserves reported that the final level of Council Fund Contingency Reserve brought forward into 2014/15 was £5.328m, as noted in the previous agenda item.

An update on the progress against the Corporate Efficiencies and Workforce Efficiencies was included in the report as discussed in the earlier agenda item.

During an update on the monitoring of efficiencies, the Head of ICT & Customer Services reported that following the first voluntary redundancy programme earlier in the year, work was underway to deal with a number of deferred voluntary redundancy applications prior to a follow-up programme in late August/September 2014.

On the former Euticals site, Councillor Robin Guest asked whether assistance sought from the Welsh Government (WG) would impact on the ownership of the site. The Corporate Finance Manager said that this would need to be a consideration when seeking a response from WG.

RESOLVED:

That the content of the reports be noted.

19. FORWARD WORK PROGRAMME

The Member Engagement Manager introduced the report to enable the Committee to consider the Forward Work Programme. The following suggestions were agreed:

- Items on the Wales Audit Office Certificate of Compliance and Budget Setting and Budgetary Control Arrangements for the meeting on 11 September 2014.

- Update on the flexible working pilot on 9 October 2014.
- The Member Engagement Manager to liaise with the Chair and Chief Officer (People & Resources) to schedule future items on Agile Working and Health & Wellbeing.

Councillor Arnold Woolley requested items on the Funship in Mostyn (responsibility, removal of assets and liability) and the transfer of maintenance costs of the Flintshire bridge in Connah's Quay. The Member Engagement Manager said that he would provide a response outside the meeting.

The Member Engagement Manager advised that the People Strategy Implementation workshop was likely to be held on the afternoon of Monday 20 October 2014, but would confirm in writing to the Committee.

Following a comment from Councillor Robin Guest, it was noted that progress on functional value for money reviews would be included as part of the budget monitoring reports to the Committee.

RESOLVED:

That the Forward Work Programme, as amended at the meeting, be approved.

20. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There were two members of the press in attendance.

(The meeting started at 9.30 am and ended at 12.18 pm)

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Chair