

## **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**

**8 MAY 2014**

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held at County Hall, Mold CH7 6NA on Thursday, 8 May 2014

### **PRESENT: Councillor Tim Newhouse (Chairman)**

Councillors: Haydn Bateman, Marion Bateman, Peter Curtis, Ian Dunbar, Andy Dunbobbin, Ron Hampson, Richard Jones, Richard Lloyd, Mike Lowe, Paul Shotton, Ian Smith and Arnold Woolley

### **SUBSTITUTES:**

Councillors: Adele Davies-Cooke for Clive Carver and Carolyn Thomas for Ray Hughes

### **CONTRIBUTORS:**

Leader of the Council, Cabinet Member for Corporate Management, Chief Executive, Head of Human Resources and Organisational Development and Corporate Finance Manager

### **IN ATTENDANCE:**

Member Engagement Manager and Committee Officer

## **95. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**

No declarations of interest were made.

## **96. MINUTES**

The minutes of the meeting of the Committee held on 16 April, 2014 had been circulated to Members with the agenda.

In referring to page 2 of the minutes, the Chief Executive confirmed that a new version of the Improvement Plan would be submitted to the Committee in June 2014 before being considered by County Council later that month.

### **RESOLVED:**

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

## **97. REVENUE BUDGET MONITORING 2013/14 (MONTH 11)**

The Corporate Finance Manager introduced a report to provide Members with the Revenue Budget Monitoring 2013/14 (Month 11) information for the Council Fund and Housing Revenue Account (HRA) which was being submitted to Cabinet on 13 May 2014.

For the Council Fund, the projected net in-year expenditure was reported to be £2.215m less than budget, which was an increase of £0.064m on the £2.151m reported at Month 10. This was reflected in the table at paragraph 3.01 and the movements from Month 10 in Community Services, Environment,

Lifelong Learning, Corporate Services and Central & Corporate Finance were summarised in Appendix 1.

Progress on the efficiencies included in the 2013/14 budget was detailed in paragraph 3.05, which currently indicated that £4.270m of the £5.331m (80%) would be achieved, resulting in a net under-achievement of £1.061m; the full details were provided in appendix 9.

On the issue of inflation, the Corporate Finance Manager explained that to date only the amounts in respect of the pay award and food costs had been allocated out to service areas. With regard to energy costs these would continue to be closely monitored, although at this stage it appeared that all of the allocation would be required and was reflected in the projected outturn. 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 £4.901m.

The HRA was projected to have an overall underspend of £0.171m for 2013/14 and a projected closing balance at Month 11 of £1.605m, which at 5.61% of the total expenditure, satisfied the prudent approach of ensuring a maximum level of 3%; full details on the significant variances in the HRA were included in appendix 8.

One carry forward request had been received for £0.085m for costs that had been scheduled for 2013/14 but would now fall into 2014/15.

In response to a question from Councillor Haydn Bateman about the write offs in Central Services due to the higher than anticipated presentation of out of date cheques, the Corporate Finance Manager explained that when cheques that had been raised against a specific service area had not been cashed after six months they became invalid and the relevant amount written back into the accounts within Central and Corporate. If a reissue of the cheque was subsequently required, the expenditure would be re input against the Central & Corporate Finance area.

Following a further question the Corporate Finance Manager advised that the word 'demand' had been omitted from the third bullet point under the Community Services Section on appendix 1.

Councillor Ian Dunbar queried whether the amount for the works undertaken on the former Euticals site in Sandycroft was the final cost and asked whether there would be any benefit to the Council once the issue had been concluded. He also queried what percentage of monies had been lost by the Council due to the issue of obtaining a refund from Landsbanki. The Chief Executive explained that the Council was looking to recover as much of the cost of the works on the former Euticals site from the sale of the site. It was now in the ownership of the Council and the approximate value was £0.400m. The figures reported for the works were not final and a timetable had been identified but it would be a period of a few months before the site was completely cleared. However, most of the dangerous items had now been removed and updates on the progress being made would be reported to Members in the future. On the issue of Landsbanki, the Corporate Finance Manager advised that details had

recently been provided to Member and that although he did not have the details with him today he would respond direct to Councillor Dunbar. He also referred to paragraph 5.03 and advised that a final accounting adjustment would be undertaken in Month 12 and would be reported accordingly.

Councillor Haydn Bateman sought clarification on the amount of £0.058m for screening which was reported in appendix 8; the Corporate Finance Manager advised that he would provide the details following the meeting.

Councillor Peter Curtis requested that the text on some of the appendices be larger to make it easier to read. In referring to residents who required permits to allow them to take their vans to the Council's Waste and Recycling sites, he asked why there was a need for them to take the vehicle to Alltami depot for inspection after they had produced their log book at the Flintshire Connects office. The Chief Executive advised that he would make enquiries and would report back.

In response to a query from Councillor Haydn Bateman about an expected reduction in the costs for the leachate treatment plant, the Corporate Finance Manager advised that he would provide an update to Councillor Bateman following the meeting.

Councillor Paul Shotton asked about the review of the rebate on the Matrix Contract which had been undertaken and requested further information on the decrease in Agency staff usage. The Head of Human Resources and Organisational Development explained that when the contract commenced four years ago, the costs for agency usage had been significantly higher. However, through collaboration, the numbers of agency staff required had reduced and therefore the procurement savings had also reduced.

On the issue of licences for van permits to allow usage of waste sites, Councillor Richard Lloyd raised concern about fly tipping in the Saltney area following the closure of the sites at Saltney and Queensferry and asked that consideration be given to find another waste site that could be used by owners of vans that was closer to Saltney.

The Chief Executive advised Members that following the decision taken at the County Council meeting on 25 March 2014 about the new Senior Management Structure, the Head of Finance would be leaving the authority at the end of June 2014. The Corporate Finance Manager would become the Chief Finance Officer and Section 151 Officer and would be line managed by the Head of Human Resources and Organisational Development in her new role as Chief Officer (People and Resources), and he would work closely with the Chief Executive, Chief Officer Team and Cabinet on Strategic Finance issues.

**RESOLVED:**

That the report be noted.

## 98. PEOPLE STRATEGY UPDATE

The Head of Human Resources and Organisational Development introduced a report to provide Members with a progress report on the delivery of the People Strategy for 2009-12 (extended to 2014) to conclude the current strategy as at March 2014. The report also advised Members of the key themes and priorities for the next People Strategy for 2014-2017 prior to the full review and development of the new strategy.

The strategy was currently structured under the following five key themes:-

- Customer
- Change
- Capacity
- Consolidation
- Collaboration

The Head of Human Resources and Organisational Development provided details of some of the successes within each of the five themes and explained that the main priorities for 2014 and the priorities for the next three years were detailed in the report.

The Chief Executive commented on the work that had been undertaken and spoke of the success of the different apprenticeship and training schemes in partnership with Coleg Cambria. He also indicated that appraisals for the new Chief Officers would be held between October and December 2014. On the issue of Single Status, the Chief Executive explained that the formal agreement had been signed the previous day ready for implementation on 1 June 2014.

In response to a question from Councillor Paul Shotton about training undertaken with Coleg Cambria, the Head of Human Resources and Organisational Development said that a range of training programmes were in place in partnership with Coleg Cambria. She provided details of the Management Development Programme which was based on a number of modules, some of which were undertaken as study days at Northop Campus and others in the form of assignments. She explained that the programmes were designed around the ILM qualification framework and Flintshire's requirements and competencies. Other programmes delivered in partnership with the college included the Team Leader programme and Transitional Team Leader programme.

The Chief Executive said that Coleg Cambria had been enormously flexible to accommodate the components required by the Council. The college had been able to attract funding which meant that the training courses could be run at no cost to the Council. In response to a query about agile working, the Chief Executive explained the differences between agile working and home working and spoke of the areas such as Planning, and Social Services where agile working had been undertaken. The policy on agile working had recently been discussed and Helen Grant (Neighbourhood Housing Manager) and David Barnes (Revenue Manager) had been able to provide an insight into how agile working had been undertaken in their areas. The Leader of the Council said that agile working was not a new concept but had not previously been undertaken by

Flintshire County Council. He felt that there was a need for a better understanding but welcomed the successes achieved in the pilot areas and suggested that the Committee could consider the issue in more depth at a future meeting.

In response to a question from Councillor Ian Dunbar about Health & Wellbeing referred to in paragraph 3.05, the Head of Human Resources and Organisational Development commented on the Occupational Health partnership which Flintshire County Council took the lead on, and spoke of the work of the Occupational Health Team at the Council. Proactive interventions of the Team included the Physiotherapy scheme and work was also being undertaken to encourage employees to look after their own health and well-being such as smoking cessation programmes. It was important that managers worked with employees to provide support and to ensure that problems relating to employees health and wellbeing were identified early.

Councillor Peter Curtis asked whether any employees of Flintshire County Council were on zero hours contracts. The Head of Human Resources and Organisational Development confirmed that there were some workers who were used to cover as relief during periods of sickness or annual leave. Contractual arrangements were reviewed on a regular basis and a further review was to be undertaken of relief/zero hours contracts across services. The Head of Human Resources and Organisational Development explained that where workers were engaged on zero hours contracts, they were still paid the appropriate rate of pay for the job they were undertaking whereas some organisations would pay a lower rate. The Leader of the Council welcomed the assurance provided by the Head of Human Resources and Organisational Development but raised concern about exclusivity clauses in contracts which meant that employees could not undertake work for another company though he did not think that this applied to Flintshire County Council contracts. On the issue of contracts for relief workers, he said that they were advantageous for some workers but added that it was important to ensure that they were reviewed and monitored regularly.

Following a question from Councillor Ron Hampson about the appeals submitted as a result of Single Status, the Head of Human Resources and Organisational Development provided details of the maintenance and appeals process that had been available to employees and added that 330 appeals and maintenance requests had been submitted, which was fewer than had been anticipated. Excellent progress was being made and the appeals had been completed but the maintenance requests were yet to be completed. Before the results were made available, there was a need to ensure that the results were consistent across the workforce compared to comparative roles within the Council. The target date for completion of this work and to notify the workforce of their results was 31 August 2014; a workforce communication would be circulated later that day to advise the employees of this date. The Head of Human Resources and Organisational Development welcomed the short turnaround from submission of the appeals to completing the process and added that it was very favourable compared to other Councils. The Chief Executive explained that moderation had been introduced to ensure that the results were consistent and fair across the authority.

Councillor Richard Jones expressed his disappointment at the themes that were being included under the new People Strategy in particular that the theme of 'customer' was no longer included. He also suggested that the main priorities for 2014 and the priorities for the next three years should not have been separated as some overlapped between the two areas. The Chief Executive responded that some of the priorities identified in paragraph 3.04 were continuing and those identified in paragraph 3.05 were areas where development was needed. He added that the 'customer' theme had not been dropped. The Head of Human Resources and Organisational Development said that the three new themes were part of the bigger strategy and that the customer would always be at the centre of it. Work would now need to be undertaken to develop the draft strategy and the next stage was to set the timeframe and she added that the Committee would be included in the development of the strategy.

The Leader of the Council said that Members could have a different view on what they felt should be included as a priority in the strategy but it was important to ensure that those priorities that were included were appropriate. The Cabinet Member for Corporate Management took on board the comments of Councillor Jones but said that the 'customer' was paramount but did not necessarily need to be included as a theme in the strategy.

In response to a question from Councillor Marion Bateman about whether employees who worked from home were able to claim a tax allowance for working at home instead of in the office, the Head of Human Resources and Organisational Development said that no employees of Flintshire County Council worked from home on a permanent basis. On the issue of agile working, she said that the Leader had earlier suggested that an update report be submitted to a future meeting of the Committee. She felt that it would also be appropriate to invite officers such as Helen Grant and David Barnes to the meeting as their teams had been involved in the pilot project for agile working.

Councillor Richard Lloyd asked whether there had been a reduction in sickness absence. The Head of Human Resources and Organisational Development advised that there had been an improvement in the number of days sickness being taken and that a report on the issue was being submitted to the next meeting of Cabinet. Progress was being made based on the statistics in the quarterly reports. She added that there was a need to ensure that managers were continuing to work with employees on sickness issues to reduce levels and to encourage an early return to work.

**RESOLVED:**

- (a) That the achievements made in relation to delivery of the current People Strategy be noted;
- (b) That the immediate priorities for 2014 be noted and endorsed; and
- (c) That the intention to draft a new People Strategy 2014 to 2017, following the leadership restructure in May 2014 be noted.

## 99. FORWARD WORK PROGRAMME

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

He detailed the items reported for consideration at the 12 June and 10 July 2014 meetings but added that following earlier discussions, updates on Agile Working, Health & Wellbeing and the People Strategy had been requested. The Member Engagement Manager suggested that he liaise with the Chairman and the Head of Human Resources and Organisational Development to bring the items forward. The diary for 2014/15 would be considered at the Annual County Council meeting scheduled for 20 May 2014 and following this meeting, the Member Engagement Manager would include the meeting dates for 2014/15 and would liaise with the Chairman to populate the agenda items.

Councillor Arnold Woolley spoke of recent meetings of Audit Committee and raised significant concern about Value for Money and the lack of management accounts for Flintshire County Council. The Audit Committee had been advised that neither the Council's external auditors nor the Audit Committee were responsible for auditing Value for Money (VFM) projects and Councillor Woolley suggested that this Committee should scrutinise the issue of VFM. The Chief Executive referred to the comments made at the Audit Committee and said that the outcomes made by the Wales Audit Office had been positive. The Head of Internal Audit had indicated that even though Audit did audit VFM to a point, not enough profile was given to it and the Chief Executive had suggested that auditing of VFM was not consistent across the Council. He added that it was not a simple task to undertake and questioned the comments made by Councillor Woolley on management accounting. Councillor Woolley said that he had received a document which advised that the organisation did not have the management accounts and therefore he was not able to view them. He added that they had been available to him when he was Leader of the Council and explained that the information he was requesting was for the actual amounts of what had been spent rather than the amounts allocated to budget areas or were projected to be spent. Councillor Woolley also indicated that he had been advised that for VFM projects, balances of up to £0.100m were not audited and neither were variations of up to 5% of turnover which could result in potential errors of £15m.

In response to the comments made, the Chief Executive said that the comments made at the Audit Committee did not imply that VFM was not being audited. Officers from the Wales Audit Office (WAO) had been present at both meetings and had been satisfied with the auditing by Flintshire County Council.

Councillor Woolley spoke of the detail of the auditing of Town & Community Councils compared to Flintshire County Council and said that John Herniman from WAO had advised that a different level of auditing was required and that the costs to audit Flintshire County Council in such detail would be prohibitive. In response to a question from the Chairman, Councillor Woolley confirmed that he did not feel that the monthly Revenue Budget Monitoring provided enough detail. The Chairman suggested that Councillor Woolley raise the issues when the Wales Audit Office was present at the meeting of this Committee scheduled for 12 June 2014.

The Cabinet Member for Corporate Management felt that the auditing of Town & Community Councils could not be compared with audits undertaken for Flintshire County Council and suggested that Councillor Woolley was questioning the integrity and credibility of the officers who produced the Revenue Budget Monitoring reports. He felt that the Council could not afford to undertake the amount of detail suggested by Councillor Woolley. The Chief Executive concurred about not being able to compare local authorities with Town & Community Councils and spoke of the positive comments received from the WAO and the reduction in audit fees which illustrated the level of confidence that the WAO had in the authority.

Councillor Richard Jones felt that VFM could not just belong to this Committee and suggested that a description should be provided of what was expected of each service and what that service was providing to ensure maximum VFM. He added that a starting point could be to scrutinise the 46 VFM projects identified to ensure that savings were being made and consideration could then be given as to how the service area was performing.

**RESOLVED:**

That the Forward Work Programme be approved subject to the inclusion of items on Agile Working, Health & Wellbeing and the People Strategy for submission to future meetings.

**100. 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 11.29 am)

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**Chairman**