

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
8 OCTOBER 2015

Minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee of the Flintshire County Council held at County Hall, Mold on Thursday 8 October 2015

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Marion Bateman, Peter Curtis, Andy Dunbobbin, Robin Guest, Ron Hampson, Richard Jones, Vicky Perfect, David Roney, Ian Smith, Nigel Steele-Mortimer, Carolyn Thomas and Arnold Woolley

SUBSTITUTION:

Councillor Mike Reece for Richard Lloyd

ALSO PRESENT:

Councillors Haydn Bateman and Mike Lowe attended as observers

APOLOGIES:

Councillor Brian Lloyd
Chief Executive

CONTRIBUTORS:

Councillor Aaron Shotton – Leader and Cabinet Member for Finance,
Councillor Billy Mullin – Cabinet Member for Corporate Management, Chief Officers (Organisational Change) and Corporate Finance Manager
Business Information and Compliance Adviser for minute number 42

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

38. DECLARATIONS OF INTEREST

No declarations of interest were made.

39. MINUTES

The minutes of the meeting of the Committee held on 10th September 2015 had been circulated to Members with the agenda.

Matters Arising

Councillor Richard Jones referred to the final paragraph on minute number 31 and indicated that he had confirmed with the Policy and Performance Manager that the version on the Council's website was incorrect. He was trying to speak to the Performance Team Leader but had been unable to do so yet. The Member Engagement Manager stated that he would ensure that this issue was pursued with the officer concerned.

RESOLVED:

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

40. MEDIUM TERM FINANCIAL STRATEGY

Councillor Richard Jones queried why the Medium Term Financial Strategy (MTFS) was on the agenda as it had been considered in detail at the County Council meeting held on 24th September 2015. The Member Engagement Manager reminded Members that it had been agreed at the July 2015 meeting of the Committee that updates on the MTFS would be provided at each meeting.

The Leader of the Council and Cabinet Member for Finance, Councillor Aaron Shotton, introduced a report to provide the Committee with an update on the MTFS following the County Council meeting on 24th September 2015. He commented on the three elements to the resolution made at that meeting which included the consultation and development of the strategy and he reminded Members of their shared duty to provide a balanced budget. Work was progressing with the Communications Team on how the consultation would take place and it was anticipated that this would include a web based element as well as the need for area based consultation with community groups, including Town & Community Councils. He spoke of the need to ensure that the public understood Part 1 of the MTFS along with the three sections of Part 2 and that discussions were undertaken with communities about the protection and sustainability of services.

Councillor Shotton indicated that he had taken every opportunity to raise the issue of the discussions that needed to take place with the Welsh Government (WG). He added that it was critical to build collective support across the local authorities in Wales and he spoke of the Welsh Local Government Association (WLGA) manifesto for issues for lobbying Assembly Members in the run up to the elections in May 2016. The WLGA manifesto included ambitions and the vision of local authorities and the need for flexibility and Councillor Shotton suggested that it could be included on the agenda for the next County Council meeting, so that it could be shared with all Members. He indicated that he had also raised the issue with the Leaders of the other North Wales authorities. He expressed his disappointment about some of the comments that had been made at the County Council meeting on 24th September 2015 but added that it was important to progress the resolution to lobby WG. He advised that a meeting of Group Leaders would need to be held prior to contact being made with WG on the request for support.

The Autumn statement from the Chancellor was due to be made on 24th November 2015 and it was therefore anticipated that the draft local government settlement would be shared with Councils on 9th December 2015 after consideration by WG, which was a concern because of the lateness of

the information. It had been indicated that the final settlement would be available on 1st March 2016 and therefore there would be a need to review the budget setting timetable if this was the correct date for the settlement figure as this could also have an impact on the deadline for finalising Council Tax figures for 2016/17.

Councillor Carolyn Thomas welcomed the verbal update but queried when the detail of the strategy was to be scrutinised. She also sought clarification on the devolution of business rates in England and whether this was also to be undertaken in Wales. In response, Councillor Shotton said that he, and the Chief Executive, had met with the Chief Executive and Chairman of Cheshire West & Chester Council and it appeared that Councils in England could only retain 100% of the business rates for new businesses. He spoke of devolution of funding to Wales for services such as health and the discussions being undertaken about retention of business rates and he welcomed the progress being made.

Councillor Shotton spoke of the important role of Overview & Scrutiny in the budget process and the progression of the MTFs and added that the detail of the operational and service options would be discussed with Members at the budget setting sessions; the dates for these had not yet been finalised. The Chief Officer (Organisational Change) referred to the work that needed to be undertaken before detailed dialogue could be undertaken with Members.

Following a comment from the Chairman, Councillor Shotton said that there were winners and losers in terms of the funding formula for Councils in Wales but added that there had been a suggestion that this would be reviewed following the proposed re-organisation. He spoke of the comments of the Wales Audit Office on the 7% cuts faced by Flintshire County Council as a result of the formula when compared to the 3% average reduction. Councillor Shotton also spoke of the importance of the Council making its case for support from WG.

Councillor Jones sought clarification on who decided the 'acceptability' of budget cuts and also, in referring to the 16/17 service reviews and in particular the privatisation of the Streetscene service, queried where the £1m saving would be found from if the service was not privatised. He suggested that the service reform had already been agreed by Council in its determination of the MTFs on 24th September 2015. Councillor Shotton reminded Members that the meeting had not set the budgets for 2016/17 but had agreed to undertake further consultation on possible proposals. The 'acceptability' of the proposals would be considered by Members at the budget setting meetings which would include further discussion or challenge of the business plans and options submitted by individual departments. He added that even with the proposals put already put forward for consideration, the Council would still have a budget gap and that was why the support of all Councillors had been sought at the Council meeting to undertake early engagement with WG on the dreadful situation facing the Council.

Councillor Arnold Woolley raised concern about possible alternatives on the contents of the strategy if it did not succeed and commented on options that could be considered by Members to establish whether they were acceptable or not. Councillor Shotton referred to the list in Part 2 of the MTFS which were services that could be at risk if the assistance to be requested from WG was not forthcoming. On the issue of alternatives, he felt that this Committee had a significant role to play.

In response to a query from Councillor Carolyn Thomas, the Corporate Finance Manager confirmed that prudential borrowing had only been used for the provision of new school buildings and not for existing buildings.

Councillor Marion Bateman referred to the total amount of inflation which was forecast to be £12.5m and queried whether this forecast remained the same. She also asked what rate of inflation had been used. The Corporate Finance Manager explained that a review had been undertaken and the amount identified for inflation had been reduced by £1m. He added that it was necessary to use different rates of inflation for different areas.

Councillor Carolyn Thomas suggested that the Committee should scrutinise the options listed in the MTFS documents before the commencement of the budget setting process and spoke of the importance of ensuring that the public were aware of the difficulties facing the Council. Councillor Shotton commented on the Member workshop sessions that had been held for the 2015/16 budget process and that similar workshops could also be organised for this year. He also suggested that there was a need for the Overview & Scrutiny Chairs to meet to discuss the budget setting process. The Chief Officer (Organisational Change) spoke of the critical areas of work that needed to be undertaken on alternatives, the appetite for local communities to take over delivery of some services to ensure they were sustainable and on the discussions needed with WG. He felt that it was important that information on these areas was available before discussions with Members were undertaken.

In referring to the earlier comment from Councillor Jones that the privatisation of Streetscene in 2017/18 had already been agreed, Councillor Shotton confirmed that this was not the case and he spoke of the importance of Members being provided with sufficient detail on each of the proposals put forward for them to decide if they could be progressed. The Chairman queried which Overview & Scrutiny Committee would consider any proposals for changes to services. In response, the Chief Officer (Organisational Change) explained that the overall project of alternative delivery models would be considered by the Organisational Change Overview & Scrutiny Committee but this would be in parallel to consideration by the relevant Overview & Scrutiny Committee. Councillor Jones felt that it was important to separate the service areas listed in the Part 2 of the MTFS document from the service reviews and suggested that it was premature to discuss alternatives to the MTFS list at this stage. Councillor David Roney spoke of the importance of provide Members with details on the proposals put forward by departments as

soon as possible to allow discussions to take place in workshops at the earliest opportunity.

Councillor Arnold Woolley agreed with the comments made and suggested that a fourth recommendation be included, as follows:-

‘To be advised at the earliest possible moment of any apparent need to implement all or any of the list on page 22 of the Medium Term Financial Strategy Part 2 document and others in order to discuss the implications and acceptability thereof’.

On being put to the vote, the additional recommendation was agreed.

RESOLVED:

- (a) That the resolutions on the Medium Term Financial Strategy that were passed by Council on 24th September 2015 be noted;
- (b) That the recommendations to review and comment on the strategy, and the implementation of the above resolutions of Council and to advise on alternatives to the contents of the strategy as a contingent should it not succeed be noted at this stage; and
- (c) That the Committee wishes to be advised at the earliest possible moment of any apparent need to implement all or any of the list on page 22 of the Medium Term Financial Strategy Part 2 document and others in order to discuss the implications and acceptability thereof.

41. REVENUE BUDGET MONITORING 2015/16 (MONTH 4) AND CAPITAL PROGRAMME 2015/16 (MONTH 4)

Revenue Budget Monitoring 2015/16 (Month 4)

The Corporate Finance Manager introduced a report to provide Members with the Revenue Budget Monitoring 2015/16 (Month 4) for the Council Fund and Housing Revenue Account (HRA) which was to be submitted to Cabinet on 13 October 2015.

For the Council Fund, the projected net in-year expenditure was forecast to be £0.425m higher than budget which was an increase of £0.637m on the underspend at Month 3. Appendix 1 detailed the movements from Month 3 which included domiciliary care and additional running costs of the Euticals site. At the previous meeting, Members had sought clarification on the variances within the Streetscene & Transportation directorate and the Corporate Finance Manager indicated that this information had been circulated to Members the previous day. Appendix 3 provided details of the latest position of the programme of efficiencies and it was projected that £10.878m (84%) would be achieved resulting in a net underachievement of £1.996m. There had been no change since Month 3 to the amounts held for inflation and the full details of the amounts held were reported in paragraphs

1.10 to 1.12. Taking into account the current overspend at Month 4, the balance on the contingency reserve at 31 March 2016 was projected to be £4.111m. A new section had been included on Earmarked Reserves to provide a greater understanding of reserves held and the Corporate Finance Manager explained that a reserves protocol had been considered by the Audit Committee and approved by County Council on 24 September 2015.

The Month 4 monitoring report for the HRA was projecting in year expenditure to be £0.002m higher than budget and a projected closing balance as at 31 March 2016 of £1.235m, which at 4% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%.

In response to a query from Councillor Robin Guest on Earmarked Reserves, the Corporate Finance Manager explained that reserves had been undertaken in the previous two budget rounds which had identified £3.5m and £1m had been identified for 2015/16. Some of this reserve had been used to fund one-off costs in the current year.

Councillor Arnold Woolley sought clarification on the underachievement of efficiencies of £1.996m and the Corporate Finance Manager advised that it was anticipated that the efficiencies would be achieved in 2016/17.

Following a query from Councillor Carolyn Thomas on admin vacant posts, the Corporate Finance Manager advised that the savings were now shown under the specific portfolio area.

Capital Programme 2015/16 (Month 4)

The Corporate Finance Manager introduced the report to provide Members with the Capital Programme Monitoring 2015/16 (Month 4) which was also to be submitted to Cabinet on 13 October 2015.

The Capital Programme had increased by £75.438m in the period, mainly due to the HRA Subsidy Buyout which was made in the early part of 2015/16. There had also been a rollover of £5.767m from 2014/15, additional grant funding of £4.223m and £0.500m for Community Asset Transfers. These increases had been offset by a decrease in funding required for 21st Century schools and savings in the allocation to Flintshire Connects projects. The revised programme was reported in table 1 and showed the programme total as £146.997m and table 2 highlighted the changes during this period. A rollover of £0.345m had been identified and the cost of the required works would be reflected in the programme for 2016/17, if approved by Cabinet on 13 October 2015. Table 5 showed the financing resources and table 6 reported the funding of approved schemes and was projecting a surplus of £1.026m to 2016/17.

Councillor Marion Bateman requested further information on recycling sale costs, in particular details of tonnages and price fluctuation and whether any trends over the previous two years could be identified.

RESOLVED:

That having considered and commented on the Revenue Budget Monitoring 2015/16 (Month 4) and Capital Programme 2015/16 (Month 4), the Committee confirmed that it did not have any specific matters that it needed to refer to Cabinet at its meeting on 13th October 2015.

42. WORKFORCE INFORMATION QUARTER 1

The Member Engagement Manager introduced the report to provide Members with an update for the first quarter for 2015/16 for the following:

- Headcount and Full Time Equivalent
- Organisational Age Profile
- Employee Turnover and Stability (Including Redundancies and Early Retirements)
- Attendance (Including 100% attendance)
- Performance Appraisals and Development
- Resource Management (Agency Workers)
- Equality and Diversity

He detailed the highlights in the report which included that the quarter one figures for 2015/16 showed an overall decrease of 45 full time equivalent (FTE) across the Council. The cumulative employee absence for 2015 was forecast to be 9.92 FTE days which was slightly higher than the annual target of 9.60. The majority of absences were within the quarterly target except for Social Services and Streetscene & Transportation which continued to show higher rates of absence. However, there was an ongoing improvement within these areas. Senior Management competency based appraisals were being carried out and the roll out of the appraisals to staff was being undertaken. The agency spend for quarter 1 was £805,000 which had exceeded the quarterly target of £700,000 and the majority of agency spend was within the Social Services and Streetscene & Transportation areas. The use of agency staff within Streetscene & Transportation continued to be attributable to the number of vacancies at operative level which had yet to be filled pending the roll out of the various business planning proposals. Social Services were currently carrying a large number of vacancies in some areas due to gaps created as a result of an influx of staff leaving the employment of the authority. He indicated that the Business Information and Compliance Adviser would respond to matters of detail in Members' questions.

In response to a query from Councillor Ian Smith about 'the 12 week AWR' in paragraph 3.06, the Business Information and Compliance Adviser advised that this referred to Agency Worker Regulations and explained that if agency workers had been appointed for 12 weeks or more, then the authority could incur additional costs as the worker would have equal pay as an employee.

Councillor Carolyn Thomas raised concern about the number of agency workers being used in Streetscene & Transportation and indicated that she would raise the issue at the relevant Overview & Scrutiny Committee.

The Cabinet Member for Corporate Management, Councillor Billy Mullin, welcomed the dashboard format of the appendix to the report as he felt that the information was easier to read.

Councillor Arnold Woolley sought clarification on the reduction in the overall workforce referred to in paragraph 3.01 as this was significantly lower than the 151 active agency placements reported in paragraph 3.06. The Business Information and Compliance Adviser responded that the number of vacancies was based on full and part time positions overall and therefore this would differ from the FTE figure.

Councillor Richard Jones referred to the age profile for non-schools and queried whether the larger number of older employees within Organisational Change was a concern. The Chief Officer (Organisational Change) said that in the current financial climate there was a large turnover of staff but a significant amount of work had been undertaken on succession planning. He added that it was important to develop staff to enable them to take on responsibility and that talent identification was a key part of the work. In response to a further query from Councillor Jones about the large number of employees leaving voluntarily, the Business Information and Compliance Adviser indicated that there was a higher turnover rate in the youngest age group leaving to develop their careers elsewhere. Councillor Peter Curtis felt that succession planning should be an ongoing project within the authority to ensure that employees leaving the Council could be replaced by staff with the same or better skills.

In response to a query from the Chairman, the Business Information and Compliance Adviser confirmed that it would be possible to provide a breakdown of teacher and non-teachers in the dashboard for the age profile for schools. The Chairman also asked whether details of the ratio of agency and non-agency staff could be provided. Councillor Andy Dunbobbin suggested that details of multi-skilled employees could be included in the report. The Chief Officer (Organisational Change) suggested that there was a need to analyse the data within the dashboard to make it more meaningful for future reports. The Business Information and Compliance Adviser confirmed that the additional information requested could be included in future reports and that the teacher/non-teacher breakdown could be included for the quarter 2 report in November 2015.

Following a comment from Councillor Curtis, the Chief Officer (Organisational Change) referred to the large turnover of agency staff within the Streetscene & Transportation directorate.

The Chairman queried whether employees who had stepped down a level to retain their employment would be asked to cover at a higher level on a

temporary basis if required. The Business Information and Compliance Adviser confirmed that employees could be asked to undertake secondment opportunities on a temporary basis if the service required it.

RESOLVED:

- (a) That the Workforce Information report for quarter one be received; and
- (b) That the requests for further information be included in the reports to future meetings.

43. FORWARD WORK PROGRAMME

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

He explained that the Police & Crime Commissioner had been due to attend this meeting to discuss the Crime & Policing Plan for 2016/17 but this would now be considered at the December 2015 meeting. The Member Engagement Manager provided details of the items scheduled for the meetings in November and December 2015. He explained that provisional budget consultation meetings were scheduled in the diary for 11th to 18th December 2015 and 15th to 29th January 2016 but it had not yet been determined which date would be allocated to which Overview & Scrutiny Committee.

In response to a question from Councillor Ian Smith about whether meetings of the Committee could be held in the afternoons rather than the morning, the Member Engagement Manager indicated that the diary had been submitted to the Annual meeting of the Council in May, where it had been agreed. Any requests to hold the meetings in the afternoon would need to be submitted in advance of the next Annual meeting in May 2016 to allow consideration to be given to the request.

RESOLVED:

- (a) That the Forward Work Programme, as amended at the meeting, be approved; and
- (b) That the Member Engagement Manager, in consultation with the Chair, Vice-Chair and officers, be authorised to vary the work programme between meetings.

44. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There were no members of the public or press in attendance.

(The meeting started at 10.00am and ended at 11.39am)

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Chairman