

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
16 JUNE 2016

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held in the Clwyd Committee Room, County Hall, Mold on Thursday, 16 June 2016

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Marion Bateman, Paul Cunningham, Robin Guest, Ron Hampson, Richard Jones, Brian Lloyd, Vicky Perfect, Paul Shotton, Nigel Steele-Mortimer and Arnold Woolley

SUBSTITUTES: Councillors: David Cox (for Ian Smith), Joe Johnson (for Andy Dunbobbin) and Mike Lowe (for Peter Curtis)

APOLOGY: Chief Executive

ALSO PRESENT: Councillor Haydn Bateman

CONTRIBUTORS: Councillor Aaron Shotton, Leader and Cabinet Member for Finance; Chief Officer (Governance); Corporate Finance Manager; and Interim Human Resources & Organisational Development (HR & OD) Manager

IN ATTENDANCE: Member Engagement Manager and Committee Officer

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 12 May 2016 had been circulated with the agenda.

Councillor Arnold Woolley requested that officers pay more attention to the use of grammar and avoid long sentences in minutes. This was duly noted.

RESOLVED:

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

14. COUNCIL FUND REVENUE BUDGET 2017/18

The Chief Officer (Governance) introduced the update report on the financial forecast for the 2017/18 financial year, including the budget pressures and main areas of income and expenditure under review for corporate financial stewardship. The report also set out the budget pressures and proposed efficiencies for corporate services in 2017/18 as the third and final year of the current portfolio business planning cycle. The budget process was being started earlier in the year to enable all Overview & Scrutiny committees to consider

proposals within their respective areas, prior to public consultation later in the year.

The officers delivered a presentation on proposals for the Corporate Services portfolios for 2017/18 together with the ongoing work on corporate financial planning and stewardship. The presentation covered:

- Local context
- Summary of independent review of corporate services
- Corporate Services comparative analysis
- Corporate Services - efficiencies and pressures
- Efficiency targets 2017/18
- Efficiency statements
- Resilience statements
- Summary of corporate cost pressures

Councillor Richard Jones spoke about differences in operating shared services in larger private sector companies and added that the independent review on corporate services could have been undertaken by Welsh Government (WG) for a more balanced view. He suggested that areas such as Health & Safety, Performance and Quality could be created as shared services with other Authorities in Wales where the same measures applied. On the comparative analysis, Councillor Jones stressed the importance of focussing on Legal and Finance where value for money, efficiency and resilience were rated as Amber.

The Chief Officer spoke about the expectation for increasing the pace on collaborative working and for the Council to seek out as many opportunities for efficiencies in the meantime. The purpose of the independent review was to ensure that efficiency opportunities had been maximised whilst recognising that further work could be done. For example, in ICT, the business model was seen as good practice and significant savings had already been achieved prior to the business planning stage. There was potential for more income generation, however further cuts would be challenging at this time due to high demand on the service. To address this, temporary investment had been earmarked to improve working practices and help deliver the necessary efficiencies.

Councillor Marion Bateman asked about the prospect of increased collaborative working if local government reorganisation did not proceed. The Chief Officer stated that this was the expectation, adding that officers were exploring a range of shared services with other councils including those across the border with England.

Councillor Aaron Shotton reported that there had been an indication from WG that local government reorganisation on a boundary basis would not go ahead. He suggested that there could be more regional working with perhaps a greater focus on economic activity.

Human Resources & Organisational Design

Whilst Councillor Paul Shotton commended the efficiencies made to date, he raised concerns about the potential impact of further savings. The Interim HR & OD Manager pointed out that the current model represented leading industry

practice and stated her confidence in achieving the proposed savings, however any further cuts were likely to affect service delivery.

Following a query from the Chairman, the Interim Manager provided explanation on the efficiencies and improvements gained from a move to the DBS (disclosure and barring) update service. On the Council's lower than average ratio of employees to HR practitioners, it was explained that this data had been compared with that of neighbouring Authorities of a similar size.

Governance - Legal & Democratic Services and ICT

Councillor Jones raised an issue on pest control and called for better co-ordination between the Legal section and other departments. He pointed out that the use of different IT software could restrict collaborative working. Councillor Arnold Woolley added that investment was needed to overcome such issues. He also felt that further cuts beyond those already achieved could compromise skills and services, and that the effects of the pressures were becoming evident.

In response to a query, the Chief Officer explained his involvement in a benchmarking exercise with other councils to identify opportunities for income generation, such as consistency in legal fees paid by commercial companies on Section 106 developments.

An update on the County Hall campus was sought by Councillor Marion Bateman who referred to the potential for generating income from the vacant offices. Councillor Aaron Shotton explained that the issue was around upfront costs for an alternative setting. Work had commenced on relocating teams from Phases 3 and 4 of the building and an update would be sought from the Chief Officer (Organisational Change) on plans for those sections of the building.

Councillor Robin Guest commented on the need to manage car parking provision at County Hall following recent issues. In response to a query on the benchmarking statistics within the presentation, it was explained that the Chartered Institute of Public Finance and Accountancy (CIPFA) and KPMG data had been used for Legal, Finance and Human Resources with the latter also using the Xpert HR survey metrics which included private sector data.

Corporate Finance

When asked by Councillor Jones about the implementation of the new 'Collaborative Planning' software solution, the Corporate Finance Manager confirmed that this was used in some neighbouring authorities as was its core financial system, 'Masterpiece'. On benchmarking, Councillor Jones asked whether there were any risks arising from the level of qualified staff in Finance. The Corporate Finance Manager explained that this had been identified in the Finance Function Review and that staff were assimilated into roles at that time in line with a development plan and a phased training schedule. In response to a query from the Chairman, he gave explanation on the qualifications expected from the various professional levels in Finance.

Following concerns raised by Councillor Robin Guest on the balance between the percentage of qualified staff and cost per £1,000 GRE, the Corporate Finance Manager made reference to the development plan and the aim to increase the number of qualified staff in the section.

In response to a question from Councillor Arnold Woolley, the Corporate Finance Manager spoke about the various Professional Accounting qualifications available to Finance officers but advised that the recommended qualification for new employees was CIPFA which was specifically tailored for the public sector.

Councillor Aaron Shotton reminded Members that the three year strategy had already been shared. He referred to the revised financial forecast in section 1.03 of the report and explained that the £6.3m of service portfolio efficiency options in the third year of the strategy were not enough to balance the budget. Given the magnitude of savings needed, the budget process had started earlier to enable consideration by Overview & Scrutiny committees on respective business plans, prior to focussing on more challenging areas. This approach was needed to allow discussions with WG by the Autumn to demonstrate what could be achieved and to reinforce the case that any further cuts would compromise the resilience of services. The projected funding gap of £14.4m had been based on an assumption of 1.5% cut in the Revenue Support Grant, however early confirmation was required to influence debate.

Councillor Woolley spoke about the need for strong representations to WG and highlighted the risks to the GDP and services including the enterprise zone. Councillor Aaron Shotton gave assurance that the Council would continue its lobbying case to the respective Cabinet Minister.

Councillor Jones said that the Council could not solely rely on lobbying to WG due to the level of support already demonstrated to local government. Following a query on Table 2 of the report, the Corporate Finance Manager confirmed that the corporate cost pressures totalled £9.798m, including the pressure for the insurance fund, as shown in the presentation slides.

The Chief Officer said that the proposals being shared at this stage were not related to frontline services, however a range of more contentious options would require consideration and may be deemed 'unacceptable'. He went on to state the importance of Members clearly understanding the implications of further cuts to meet the funding gap, if no financial support was forthcoming from WG.

During discussion on Recommendations 1 and 2 of the report, the Committee agreed to Councillor Woolley's proposal that 'level of support for' be replaced by 'acceptance of' the proposals.

On Recommendation 3, the Committee debated amending the wording. The Chief Officer referred to his earlier comments on the need for 'pre-agreement' of the proposals prior to public consultation. Councillor Woolley felt that the present administration should be urged to seek a decision on financial support from WG as early and in as definitive form as can be found. Councillor Aaron Shotton commented on the budget consultation approach by other councils, adding that some of the additional proposals could be viewed as unacceptable in principle. He stated that discussions with WG had already

commenced on seeking an earlier indication of the Council's financial settlement along with a willingness to accept the lobbying case.

Councillor Jones proposed a variation to Recommendation 3: that the Committee accept the developing strategy for the 2017/18 budget, to give more flexibility to the administration and to seek further information if required. In seconding this amendment, Councillor Bateman asked that the wording 'in principle' be added. Councillor Guest proposed that the resolution be amended to reflect the suggestions put forward, and this was agreed by the Committee.

RESOLVED:

- (a) That the committee notes the corporate cost pressures and main areas of income and expenditure under review for 2017/18 and supports the proposals;
- (b) That the committee notes the Corporate Services Portfolio Business Plan cost pressures and proposed efficiencies and supports the proposals; and
- (c) That the committee accepts, in principle, the developing strategy for the 2017/18 budget, and the process and timelines for setting the annual budget, in its wider role of corporate financial governance.

15. REVENUE BUDGET MONITORING 2015/16 (MONTH 12)

The Corporate Finance Manager introduced a report on the revenue budget monitoring position for Month 12 of 2015/16 for the Council Fund and Housing Revenue Account (HRA) prior to its consideration at Cabinet on 21 June 2016. The projected position was that net spend would be £1.372m less than the budget which was a negative movement of approximately £0.200m. This was mainly due to an increase in projected out of county placement costs but had been offset by additional income on the Council Tax collection fund. Some additional requests had been made to carry forward funding, mainly comprising changes to previously agreed amounts and these were recommended for approval.

Councillor Marion Bateman referred to the increased overspend and high percentage of agency workers in Streetscene. Although more a question for the Environment Overview & Scrutiny Committee, it was reported that the number of agency workers in Streetscene was likely to reduce over the coming months as permanent posts were filled as part of the restructure.

Following a question from Councillor Paul Shotton, the Corporate Finance Manager confirmed that there had been a downward trend in recycling sale values which had been identified as a risk in the report. All pressures would continue to be monitored and projections amended for 2016/17 and 2017/18 and built into the Medium Term Financial Strategy. Councillor Richard Jones pointed out that projections for 2016/17 had already taken account of the pressure for recycling.

RESOLVED:

That the Committee accepts the Revenue Budget Monitoring Report 2015/16 (Month 12). Whilst the Committee confirmed that there was no specific issue which is to be formally raised at the Cabinet, it was agreed that the concerns at the continued level of agency staff use be reported.

16. PROJECT CLOSURE ON REVIEW OF CORPORATE ADMINISTRATION

The Chief Officer (Governance) introduced a report seeking comments to Cabinet on the savings and benefits delivered by the project and the proposed steps to close the project. He summarised the outcomes from the review which had so far generated savings of £1.133m. The streamlining of administrative posts had built greater resilience into the team, giving more flexibility to maximise resources. A separate report on the next phase of the process to bring together the remaining portfolio administrative teams into two services would be considered later on the agenda.

In responding to questions from the Chairman, the Chief Officer gave an explanation on the consistency achieved across generic duties and salaries of the administrative team, and felt that this process could not be applied to other role groups other than administration.

Following a request by Councillor Arnold Woolley, the Chief Officer explained that the report made clear that the number of administrative posts identified at the start of the review was an estimate that had not been validated. Posts had been taken out of the scope of the review for various reasons and other posts had been deleted with the savings accounted for elsewhere. He agreed to provide a breakdown of the full-time equivalent posts which had been deleted by the review, including details of full-time and part-time hours.

Members expressed their appreciation to the officer team for their work on the review and were informed of the excellent support which had been given by a number of officers across the Council. The Chief Officer agreed to pass on thanks to those involved.

RESOLVED:

That the Committee welcomes the savings and benefits delivered by the project, the proposed steps to close the project and thanks all staff involved for their contributions to it.

17. FORWARD WORK PROGRAMME

In presenting the Forward Work Programme for consideration, the Member Engagement Manager advised that the Police & Crime Commissioner had been invited to attend the Committee's meeting in November.

Following a suggestion by Councillor Richard Jones, it was agreed that comments from Overview & Scrutiny committees on specific proposals for the Council Fund Revenue Budget 2017/18 would be reported to the September meeting. To accommodate this extra item, it was agreed that the Community

Safety Partnership report may need to be deferred to a special meeting, if necessary, subject to consultation between the Chairman and officers.

RESOLVED:

- (a) That the Forward Work Programme, as submitted, be approved with amendments; 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, should this be necessary.

18. 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).

19. VARIATION IN ORDER OF BUSINESS

The Chairman indicated that there would be a slight change in the order of business to consider Agenda Item 9 before Item 8.

20. REVIEW OF CORPORATE ADMINISTRATIVE FUNCTIONS

The Chief Officer (Governance) presented a report seeking comments to Cabinet on the proposed functions and structure for the combined administrative service.

The Committee supported Councillor Woolley's proposal that the recommendations be accepted and approved without comment.

RESOLVED:

That the Committee accepts and approves the proposed functions for the Combined Administrative service to the Cabinet at its meeting on 21 June 2016.

21. ESTABLISHMENT STRUCTURE IN GOVERNANCE

The Chief Officer (Governance) presented a report seeking comments to Cabinet on the proposed structure for Legal Services. A number of factors had informed the proposals, including the recommendations of the recent Corporate Services review, the views of service users and team members and efficiency targets.

In responding to questions, the Chief Officer said that the proposed structure would generate a greater degree of flexibility and help to improve the responsiveness of the service. He alluded to the key support that the section gave across the Council which required the necessary level of resources.

Members were also reminded that the proposals for Democratic Services would need to be reported to Cabinet followed by Democratic Services Committee and endorsement at full Council.

RESOLVED:

That the Committee supports and commends the proposed structure for the Governance portfolio to the Cabinet.

22. 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 12.55 pm)

.....
Chairman