

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE
22 MARCH 2012

Minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee of the Flintshire County Council held at County Hall, Mold on Thursday, 22 March 2012

PRESENT: Councillor B. Dunn (Chairman)

Councillors: D. Barratt, G.H. Bateman, M. Bateman, C.S. Carver, J.E. Falshaw, R.J.T. Guest, R.G. Hampson, R.B. Jones, R.P. Macfarlane, W. Mullin and P.R. Pemberton

SUBSTITUTION:

Councillor D.I. Mackie for D.L. Mackie

APOLOGY:

The Leader of the Council, Chief Executive, Head of Finance, Head of ICT and Customer Services and Interim Head of Legal and Democratic Services

CONTRIBUTORS:

Director of Environment for minute number 102 (Capital Programme), Corporate Finance Manager for minute numbers 102 and 103, Head of Corporate & Capital Accounting for minute number 102, Revenues and Benefits Manager for minute number 103 (Finance), Head of Human Resources and Organisational Development for minute number 103 (Human Resources & Organisational Development), Operational Services Manager for minute number 103 (ICT and Customer Services)

IN ATTENDANCE:

Member Engagement Manager and Committee Officer

100. DECLARATIONS OF INTEREST

No declarations of interest were made.

101. MINUTES

The minutes of the meetings of the Committee held on 19 January 2012, 20 January 2012, 23 January 2012, 24 January 2012 and 20 February 2012 had been circulated to Members with the agenda.

Matters Arising – 19 January 2012

The Member Engagement Manager referred to resolution (b) and explained that the Head of Human Resources and Organisational Development would provide the breakdown on the number of posts which had been taken out of the establishment when she attended the meeting for the Quarter 3 Performance Report for Human Resources and Organisational Development which would be considered later on this agenda.

RESOLVED:

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

102. REVENUE BUDGET MONITORING 2011/12 (MONTH 9) AND CAPITAL PROGRAMME 2011/12 (MONTH 9)

The Chairman indicated that the report on the Capital Programme 2011/12 (Month 9) would be considered before the Revenue Budget Monitoring 2011/12 (Month 9).

The Corporate Finance Manager introduced the report to provide Members with the latest Capital Programme information at Month 9 for 2011/12 which would be submitted to Executive on 27 March 2012.

The table on page 91 set out how the programme had changed during 2011/12 for both the Council Fund and Housing Revenue Account (HRA). Detailed cumulative information relating to each programme area was provided in appendix A and summarised in the table on page 92. A summary of the changes made to the programme since the last quarterly report (together with supporting narrative) was provided in appendix B. It was reported that at month 9, schemes totalling £0.297m had been identified as not yet committed (and remaining uncommitted during 2011/12) and as such would not automatically roll forward into the 2012/13 Capital Programme. The Corporate Finance Manager highlighted paragraph 3.03.4 with regard to the funding of £0.133m in the Lifelong Learning Directorate for DDA compliance works at Buckley Westwood Primary School, and explained that the works could not be completed in 2011/12 because of planning approval requirements. Whilst this work was not yet committed, it was being recommended to Executive that given the nature of the works, the £0.133m be carried forward and added to the 2012/13 capital programme.

It was reported that rephasing of £4.090m had been identified across the programme and detailed information relating to each programme area (including supportive narrative) was provided in appendix C and summarised in the table on page 94. Savings of £0.269m had been identified across the programme and further details were provided in paragraphs 3.05.2 and 3.05.3 of the report. Recorded capital expenditure across the whole programme stood at £21.553m at month 9 and represented 56.65% of the revised budget total of £38.048m. The table on page 95 provided a comparison of cumulative expenditure against the profiled budget and the recorded expenditure of £21.553m represented 96.62% of the profiled budget total; the variances were detailed in appendix D. The financing of the capital programme was summarised in the table on page 97. The Corporate Finance Manager also referred Members to paragraph 3.07.5 on the confirmation from Welsh Government of the additional grant monies of £479,428 for Capital Maintenance and Investment in Schools.

Councillor R.B. Jones welcomed the improvements which had been made in the report, including two additional graphs and an extra appendix, however he felt that the word 'rephasing' should be changed back to 'rollover' as it was a more accurate description of the activity. The Director of Environment said that this Committee could take great credit for the report being considered today, because as a result of the changes suggested by the Committee, this report had been produced. The equivalent report from 2010/11 contained seven pages and this report contained 15 pages. He commented on the meetings which had been undertaken in each directorate on the Capital Programme but added that a more proactive approach was required.

Councillor Jones queried some of the entries in the appendices and whether there was a link between appendices; the Corporate Finance Manager and the Head of Corporate & Capital Accounting provided a detailed response. Councillor Jones said that, in his view, if there was a change in the actual expenditure or revised budget, then there was a need to explain this in the variance column. The Corporate Finance Manager explained that appendix A showed the original budget and appendix D reflected the current budget. The Director of Environment said that appendix B showed the changes this period and appendix D showed what had been assumed would be spent against what had been spent, so there was no variance to report.

Councillor R.J.T. Guest queried whether the carry forward for the DDA compliance works at Buckley Westwood C.P. School would be actioned before the outcome on the School Modernisation project was known. Councillor P.R. Pemberton said that capital projects for other schools could also be affected by the result of the School Modernisation Programme and suggested that work not be started on projects which could be affected. The Director of Environment said that the programme was going through the consultation process and confirmed that monies would not be spent until the outcome of the consultation was known.

Councillor Jones proposed that the word 'rephasing' be changed to 'rollover' and this was duly seconded.

REVENUE BUDGET MONITORING 2011/12 (MONTH 9)

The Corporate Finance Manager introduced the report to provide Members with the latest Revenue Budget Monitoring information for 2011/12 as at Month 9 which would be submitted to Executive on 27 March 2012.

The table on page 37 showed a projected in-year underspend of £0.921m which compared to an underspend of £0.901m reported at Month 8. Details of the movements from Month 8 were reported in appendix 1 to the report. The table on page 38 provided details of the programme of efficiencies and reported that 86% of the 2011/12 efficiencies had already been achieved or was expected to be achieved; appendix 9 provided further information on all of the efficiencies. He added that the figures reflected in this table had been included in the projected outturn shown on page 37. The

risks and assumptions were shown at paragraph 3.08 and there were some requests for carry forward detailed in paragraphs 3.10 to 3.15. The latest position on unearmarked reserves was detailed on page 40 with the estimated amount currently projected in the Contingency Reserve being £0.434m. This figure was £0.020m more than the £0.414m estimated when the 2012/13 Council Fund revenue budget was approved by County Council at the meeting on 1 March 2012.

The Housing Revenue Account showed a projected closing balance at Month 9 of £1.510m which at 6% of total expenditure satisfied the prudent approach of ensuring a minimum level of 3%. Appendix 8 detailed the reasons for significant variances occurring to date and the actions planned to deal with them. As the projected closing balance was considerably higher than the 3% minimum level, it was being recommended to Executive that a further £0.200m be allocated to the Repairs and Maintenance account. This would be funded from balances over and above the projected closing balance for 2011/12 reflected in the HRA 2012/13 budget report as approved by Council on 21 February 2012.

Councillor D.I. Mackie, in referring to paragraph 4.01 on Non Standard Inflation, asked whether schools could draw from Central and Corporate Finance budgets for additional inflation costs of oil heating. The Corporate Finance Manager responded that school budgets were delegated at the beginning of the financial year and that any estimated increase in energy costs would have been built in at this point based on a funding formula. The additional inflation costs held centrally were for non schools areas.

Councillor R.B. Jones welcomed the report and in particular reminded Members that this was the seventh consecutive month where an underspend had been reported for Out of County Placements. He also highlighted other areas of over/underspend in appendix 1 including the underspend of £0.060m for Domiciliary Support (Services for Older People) which he welcomed. In response to a question from Councillor Jones on the entry for Finance & Funding on page 72, the Corporate Finance Manager said that the projected outturn should read £1.934m in the 'cause of variance' and not as shown.

Councillor R.P. Macfarlane commented on the underspend in Out of County Placements. He said that a Lifelong Learning Overview & Scrutiny Committee workshop had been undertaken and due to the actions taken by the officers and the effective working of the workshop, the costs for Out of County Placements had reduced.

RESOLVED:

- (a) That the report be noted; and
- (b) That the word 'rephasing' be replaced with the word 'rollover' in future Capital Programme reports.

103. QUARTER 3 PERFORMANCE REVIEW 2011/12

Finance

The Corporate Finance Manager introduced a report to request that the Committee consider the 2011/12 Quarter 3 service performance reports, note the update of the Strategic Assessments of Risks and Challenges (SARC) contained within their performance reports and note progress made against the Improvement Targets contained within the performance reports.

The Corporate Finance Manager gave a short presentation on the performance within Finance, outlining work which had been undertaken to improve performance and areas where improvement was needed, as outlined within the report.

Councillor R.B. Jones referred to indicators CFH/006 and CFH/008 on page 128 and queried whether an action plan had been completed as both indicators were 'red'. The Corporate Finance Manager advised that an action plan had not been prepared but that he would make enquiries about this.

Councillor R.J. T. Guest raised concern at the percentage of undisputed invoices which were not paid on time (within 30 days) and on the issue of business rates, he felt that the RAG status for this indicator should be 'amber' and not 'red'. The Corporate Finance Manager explained that there had been resource problems in the Lifelong Learning directorate and this had resulted in the delay in invoices being processed. A new Finance Manager was now in post and it was hoped that the figure for processed invoices would increase for the next quarter.

Councillor C.S. Carver commented on the indicator CFH/008 on the percentage of 2011/12 Business Rates collected in year and asked for clarification on whether the target had not been met as a result of the growing number of rate avoidance schemes. The Revenues and Benefits Manager explained that some organisations were attempting to avoid payment of rates by claiming 'charitable' status. Whilst these schemes were being investigated, the loss of revenue was starting to have a significant impact on collection rates. It was reported that whilst the Charity Commission were actively investigating some of the concerns raised by Local Authorities, it would require the courts to give interpretation of the law, especially for 'grey' areas of the law that landlords and their agents attempted to exploit. The Chairman suggested that the percentage of Business Rates collected in year could be reported as well as the amount of disputed revenue. The Corporate Finance Manager said that the figures were compared to the original estimate for Business Rates but that reporting of the figures in its current form could be reconsidered.

Councillor W. Mullin queried whether any discounts on Council Tax were given on empty properties as services such as bin collections were not being provided for those properties. The Revenues and Benefits Manager explained that there was an exemption on Council Tax for six months after

residents had died but that a national scheme was in place to charge Council Tax for empty properties.

Human Resources and Organisational Development

Prior to providing details on the Quarter 3 performance report, the Head of Human Resources and Organisational Development circulated a paper to Members which detailed the redundant positions deleted from the Establishment during the period April 2010 to September 2011, which had been raised earlier in the meeting as matters arising on the minutes of the 19 January 2012 meeting.

The Head of Human Resources and Organisational Development introduced a report to request that the Committee consider the 2011/12 Quarter 3 service performance reports, note the update of the Strategic Assessments of Risks and Challenges (SARC) contained within their performance reports and note progress made against the Improvement Targets contained within the performance reports.

The Head of Human Resources and Organisational Development gave a short presentation on the performance within Human Resources and Organisational Development, outlining work which had been undertaken to improve performance and areas where improvement was needed, as outlined within the report.

Councillor R.J.T. Guest referred to indicator CHR/005 (N127) on page 136 about the percentage of employees declaring that they were disabled and asked whether the comment that performance had downturned was correct. He also asked whether a running total could be included for indicators CHR001 and 002 as it was currently difficult to identify how the figures compared to the annual total. The Head of Human Resources and Organisational Development confirmed that a running total could be included. She explained that the entry for indicator CHR/005 was showing a downturn, but the RAG status was green because there had been a downturn in performance when compared with the previous quarter, but the status was 'green' because performance continued to exceed the target.

Councillor R.B. Jones commented that the titles of the risks CG10 and CG11 showing in the section on Strategic Risks and Challenges on page 136 were incorrect. The Head of Human Resources & Organisational Development confirmed that the full titles for those risks would be included for future reports.

ICT and Customer Services

The Operational Services Manager introduced a report to request that the Committee consider the 2011/12 Quarter 3 service performance reports, note the update of the Strategic Assessments of Risks and Challenges (SARC) contained within their performance reports and note progress made against the Improvement Targets contained within the performance reports.

The Operational Services Manager gave a short presentation on the performance within ICT and Customer Services, outlining work which had been undertaken to improve performance and areas where improvement was needed, as outlined within the report.

In response to a question from Councillor D. Barratt on whether the Council's complaints procedure and processes in line with the All Wales guidance had been implemented, the Operational Services Manager said that it was due to go live in April 2012.

The Chairman asked whether the existing print machinery referred to on page 154 had been sold; the Operational Services Manager confirmed that a buyer had been found.

Councillor R.B. Jones welcomed the change in format of the performance reports. In referring to Design and Print, he asked whether the vacant space could have been taken over by an external print company. The Operational Services Manager said that some of the space had to be retained for the digital printing service which was still to be undertaken by the department and added that the remaining space would be included in the Council's assets programme.

In response to a question from Councillor G.H. Bateman, the Operational Services Manager detailed the 'Tell Us Once' Service reported on page 143.

Legal and Democratic Services

The Member Engagement Manager introduced a report to request that the Committee consider the 2011/12 Quarter 3 service performance reports, note the update of the Strategic Assessments of Risks and Challenges (SARC) contained within their performance reports and note progress made against the Improvement Targets contained within the performance reports.

The Member Engagement Manager gave a short presentation on the performance within Legal and Democratic Services, outlining work which had been undertaken to improve performance and areas where improvement was needed, as outlined within the report. He advised the Committee that the new Head of Legal and Democratic Services, Gareth Owens, would take up the post from 10 April 2012.

Councillor R.B. Jones referred to the section on Electoral Registration and Elections on page 163 and asked how the number of electors registered with Flintshire County Council compared to other counties. The Member Engagement Manager responded that the Authority was similar to many counties but was better than several others.

RESOLVED:

That the reports be received.

104. FORWARD WORK PROGRAMME

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

He explained that this was the last meeting of the Committee before the Elections and highlighted the information which had included in the Forward Work Programme for the successor committee and the issues which he felt needed to be included.

The Chairman gave his thanks to the Members for their participation in the meetings of the Committee during this Administration.

RESOLVED:

That the Forward Work Programme be amended to reflect the suggestions of the Member Engagement Manager.

105. DURATION OF MEETING

The meeting commenced at 10.00 a.m. and ended at 12.10 p.m.

106. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

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

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Chairman

SUMMARY OF DECLARATIONS MADE BY MEMBERS
IN ACCORDANCE WITH FLINTSHIRE COUNTY COUNCIL'S
CODE OF CONDUCT

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE	DATE: 22 MARCH 2012
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MEMBER	ITEM	MIN. NO. REFERS
NO DECLARATIONS WERE MADE		