

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
14 DECEMBER 2017

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 Thursday, 14 December 2017

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Haydn Bateman, Paul Cunningham, Patrick Heesom, Andrew Holgate, Dave Hughes, Paul Johnson, Richard Jones, Michelle Perfect, Vicky Perfect and Arnold Woolley

SUBSTITUTES: Councillors: Andy Dunbobbin (for Mike Lowe) and Mared Eastwood (for Hilary McGuill)

APOLOGIES: Councillor Bob Connah

Councillor Aaron Shotton, Leader & Cabinet Member for Finance; and Chief Executive (absent on Council business)

CONTRIBUTORS: Councillor Billy Mullin, Cabinet Member for Corporate Management and Assets; Chief Officer (Governance); and Senior Manager, Human Resources & Organisational Development

For minute number 50

Representatives of Community Foundation in Wales:

Colin Evans - Development Associate

Richard Williams - Chief Executive

Tom Morris - Research & Finance Officer

Flintshire County Council officers:

Corporate Business & Communications Executive Officer

Finance Manager - Technical Accountancy

For minute number 52

Corporate Finance Manager

IN ATTENDANCE: Democratic Services Manager and Democratic Services Officer

47. PRELIMINARY COMMENTS

Councillor Heesom expressed disappointment that the Chief Executive and Leader of the Council were not in attendance. He said there were matters arising from the recent County Council meeting which involved feedback from the Committee's special meeting earlier in the month.

Having explained that the Chief Executive and Leader were attending a meeting in Cardiff, the Democratic Services Manager pointed out that the Stage 2 budget proposals (the subject of both meetings referred to) were not on this

agenda and that the minutes of the special meeting would be available in due course.

48. DECLARATIONS OF INTEREST

None were received.

49. MINUTES

The minutes of the meeting of 16 November 2017 were submitted.

Minute number 39: Previous meeting - Councillor Jones gave a reminder that the Chief Executive was to speak to him about the 'cuckooing' case he had referred to.

Minute number 41: Flintshire Public Services Board - Councillor Jones advised that having re-checked the Betsi Cadwaladr University Health Board website link, the Public Service Board links now showed but that all locality areas apart from those in east Flintshire were shown as 'not complete'.

Minute number 42: North Wales Fire & Rescue Authority - the Democratic Services Manager had circulated an email earlier in the day which gave a full response to the discussion on Council Tax bills.

RESOLVED:

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

50. FLINTSHIRE COMMUNITY ENDOWMENT FUND - ANNUAL REPORT

The Corporate Business & Communications Executive Officer presented the annual performance review of the Flintshire Community Endowment Fund (FCEF) which was managed and administered by the Community Foundation in Wales following the transfer of 16 educational trust funds in 2013. Since that time, the capital element of the FCEF had grown by 18% and the Fund had awarded over £34K worth of grants; a level which could not have been achieved before the transfer.

The Committee was asked to consider a proposal for the Community Foundation in Wales to assume the same responsibilities for the Clwyd Tripartite Welsh Church Act Fund (Clwyd WCAF) on behalf of Flintshire, Denbighshire and Wrexham councils. The broader remit of grant applications from the Clwyd WCAF was explained.

The Chairman welcomed representatives from the Community Foundation in Wales - Colin Evans (Development Associate), Richard Williams (Chief Executive) and Tom Morris (Research & Finance Manager) - who gave a presentation on the work of the Fund, covering the following points:

- The Community Foundations' achievements across Wales and specifically in Flintshire
- Fund History and Overview
- Financial Performance of the Fund
- Additional Services for Local Authorities
- Summary of Grant Awards made in 2016 and 2017
- Leverage for Flintshire
- Case Studies

Since transferring the assets, the FCEF had achieved a 35% total return with the capital element of the Fund recently valued at around £210K. Explanation was given on the investment strategy which took a moderate approach to risk and was subject to regular scrutiny. Details of grants awarded in 2016/17 were set out in the Impact Report appended to the agenda.

Councillor Dunbobbin asked about the promotion of the FCEF which involved a network of community facilitators and websites. It was explained that a low-risk approach had initially been taken to build up the Fund where the maximum limit on grant awards were £750 for individuals and £1,000 for voluntary groups. Councillor Dunbobbin suggested that the Organisational Change Overview & Scrutiny Committee could also benefit from having the presentation.

When asked by Councillor Hughes, information was given on the composition of the panel (involving local representation) in assessing the strength of applications to determine whether a maximum or partial grant should be awarded.

The Chairman pointed out reference to issues with some cheques sent by post. It was clarified that only in a handful of cases had cheques not reached their destination and there were no incidents of fraud. From April 2017, grant awards were paid directly into banks as a more secure and efficient method.

Councillor Jones asked if there would be any changes to criteria for grants from the two Funds. He was told that each would be run separately according to its own objectives which were set out in the governing document agreed between the Council and The Charity Commission for England and Wales. There would be no change to the application process as only management and administration responsibilities would transfer.

In response to comments by Councillor Johnson, Mr. Morris gave assurance of annual reviews to ensure there were no direct unethical investments.

The Chairman thanked the representatives for their attendance and detailed presentation.

RESOLVED:

That the Committee thanks the Community Foundation in Wales' representatives for their presentation and informs the Cabinet that:

- (a) The Committee endorses the work of the Community Foundation in Wales and the award of local grants as part of the Flintshire Community Endowment Fund;
- (b) The Committee approves the transfer of the management and the administration of the Clwyd Tri-partite Welsh Church Act Fund for Flintshire, Denbighshire and Wrexham to the Community Foundation for Wales from 1st April 2018; and
- (c) The Committee approves the transfer of the management and the administration of Flintshire grants awarded from the Welsh Church Act Fund to be combined with the process already in place for the Flintshire Community Endowment Fund.

51. WORKFORCE INFORMATION REPORT - QUARTER 2

The Senior Manager, Human Resources & Organisational Development presented the workforce information update for the second quarter of 2017/18. There had been a continued improvement in attendance since the introduction of the new policy and the rise in days lost due to stress and depression was being tackled through various initiatives. An increase in the completion of performance appraisals, alongside accurate reporting, was welcomed. A positive trend was also reported on agency worker spend, which represented less than 1% of the pay bill, and a reminder was given of the forthcoming review of that contract.

In thanking the Senior Manager and her team for the report, Councillor Mullin said that the improvement in attendance reflected increased levels of control and ownership being taken by managers.

Councillor Jones welcomed the findings and gave a reminder of the overall target to achieve 100% completion of appraisals for eligible employees.

Councillor Woolley questioned the difference between days lost by school employees as opposed to non-schools and the reasons for stress-related absences. The Senior Manager agreed to look into this although it was likely to be due to the shorter period of term time worked in schools. On the latter point, employees were actively encouraged to come forward and take advantage of the support available, including 'Care First' which offered help in dealing with a broad range of personal problems. Councillor Woolley requested more information on this.

The Chairman asked whether the 'days lost by portfolio' could indicate portfolio sizes to provide better context and whether the 'Top 4 reasons' could indicate the variance between each category. The Senior Manager agreed to

look into whether a more detailed report could be provided for a future meeting, noting the need for confidentiality to ensure no individuals could be identified.

Following a request by Councillor Holgate, the Senior Manager agreed to provide a separate response on costs arising from the workforce turnover figure, which was higher than normal mainly due to the transfer of Newydd Catering & Cleaning. The Chief Officer spoke about the release of posts through redundancy and early retirement which took into consideration the service impact and expectation to recoup leaving costs within a two year period.

In response to comments from Councillor Hughes on the age profile dashboard, the Senior Manager explained that data was reviewed by managers to understand trends and inform workforce planning.

On the Equality and Diversity graphs, Councillor Johnson asked if it was possible to include figures for individuals with disabilities. The Senior Manager advised that records were held for employees who chose to disclose and that concessions were available, for example in attending appointments. Councillor Johnson asked if the age profile for teachers could include a breakdown of full and part time posts. The Senior Manager agreed to look at how this information could be presented for a specific future meeting only.

The Chairman commented on the age profile categories for teachers and was informed that these were standard across the system. In respect of late attendance, it was the responsibility of managers to monitor their teams in line with the flexible working policy.

The points raised were summarised by the Democratic Services Manager and agreed by the Committee.

RESOLVED:

- (a) That having considered the Workforce Information report for Quarter two, the Committee appreciates the work which has been done, especially to reduce sickness absence;
- (b) That the Senior Manager Human Resources & Organisational Development produce a more detailed analysis for a future meeting, recognising that such a level of detail would be impractical for each quarter; and
- (c) That the Senior Manager and Democratic Services Manager liaise on a suitable meeting to which to put the detailed report.

52. REVENUE BUDGET MONITORING 2017/18 (MONTH 7)

The Corporate Finance Manager presented the report on the revenue budget monitoring position for 2017/18 as at Month 7 for the Council Fund and Housing Revenue Account (HRA), prior to consideration by Cabinet.

On the Council Fund, the net in-year position was that spend was forecast to be £1.262m higher than budget, which was an increase of £0.115m from Month 6. The most significant projected variances were for additional high-cost out of county placements and the delay in implementing the bus subsidy efficiency in-year. However, this had been offset by the transfer of school transport costs from the Streetscene and Transportation portfolio as they would now be funded by Education and Youth. On overall planned efficiencies included in the report, it was estimated that 93% would be achieved by year end.

New risks emerging in-year would require analysis of impacts on the 2018/19 budget and as discussed at the recent County Council meeting, the amounts for the Council Tax Reduction Scheme and Intermediate Care Fund were included within the Stage 2 budget options. Further work was planned on other significant issues such as the procurement of local and school transport following the Member workshop, the escalating costs for out of county placements and meeting the budgeted income target. An update on reserves and balances indicated that the £20.3m of earmarked reserves available at the start of the financial year were expected to halve by year end. The planned utilisation of the Budget Strategy Reserve and the projected reduction in Schools Balances were highlighted as two examples of significant reductions.

No significant changes were reported on the HRA, where in-year spend was projected to be £0.035m lower than budget.

As requested by the Chairman, the Corporate Finance Manager agreed to provide information on 'Flintshire Enterprise Ltd' which appeared on the table of earmarked reserves.

Councillor Jones asked about the lower than anticipated levels of income from County Hall parking permits and was informed that this variance would be reviewed for any impact on the 2018/19 budget as with the others detailed in the table, and the outcome reported in the New Year. Councillor Jones referred to the table of earmarked reserves and said that those showing no movement to year end (totalling £2.45m) should be brought back into the budget for use rather than automatically rolling over. The Corporate Finance Manager explained that the table was included in quarterly reports and that as part of financial management planning, the amounts were held for various reasons and were subject to review.

Councillor Jones proposed that the balances on revenue should be treated the same as capital and that if not utilised in the financial year, the service should have to reapply. This was seconded by Councillor Heesom. The Corporate Finance Manager agreed that a report would be submitted to a future meeting to understand the implications of this.

On Appendix 1 to the report, Councillor Jones said it was useful for variances to be shown in red. He cited three variances in Social Services (Disability Services - Resources & Regulated Services; Mental Health Services - Residential Placements; and Development & Resources - Safeguarding Unit)

totalling over £700K of overspend where the action was 'to continue to monitor and review'. He proposed that these be referred to the Social & Health Overview & Scrutiny Committee for examination and report back as the explanation was insufficient in view of the Council's budget position. Officers explained that the nature of many of the Social Services areas were demand led, with obligations to meet statutory duties, and that consideration of budget realignment was ongoing across services.

The Corporate Finance Manager agreed to pass on concerns about the financial impact of delays on Household Recycling Centres and Flint car parking charges. On the latter point, the Chief Officer (Governance) provided brief explanation on the background and would request a more detailed response from the Chief Officer (Streetscene & Transportation).

Councillor Heesom spoke about the need for Members to receive more detail on the evaluation of the base budget for each portfolio to help understanding of the Stage 2 proposals. The Corporate Finance Manager said that this was not practical due to the significant number of underlying cost centres which would not assist the decision-making process. The Chief Officer drew attention to the level of detail in the resilience statements shared recently with Members. The Corporate Finance Manager responded to queries on earmarked reserves for the Budget Strategy Reserve and Single Status, advising that a final review of all reserves would assess adequacy for the Council's needs. On inflation, the main issues such as energy increases were built into the 2018/19 forecast.

Councillor Woolley stressed the importance of a written audit trail of committee resolutions to demonstrate accuracy. He shared the concerns about the insufficient explanation of actions on variances, pointing out the absence of any action on Transportation.

The two recommendations proposed by Councillor Jones were clarified and duly supported by the Committee. During discussion, the Democratic Services Manager explained that deadlines did not allow time for these points to be included in a written report to Cabinet and that he would instead email the Leader of the Council and statutory officers, copying in Members of the Committee.

RESOLVED:

That the Committee notes the Revenue Budget Monitoring 2017/18 Month 7 report and confirms on this occasion that the issues which it wishes to have brought to the Cabinet's attention are:

- (a) That revenue balances should be treated the same as capital: if budget is not utilised in the financial year, the service needs to reapply for that funding. (The 151 Officer offered to produce a report for a future meeting which will identify the implications of such an approach, which the Committee accepted); and

- (b) That the issues in Social Services, as shown on pages 93 and 94 of the report (Disability Services - Resources & Regulated Services; Mental Health Services - Residential Placements; and Development & Resources - Safeguarding Unit, totalling over £700K) be referred to the Social & Health Overview & Scrutiny Committee for examination and report back. 'Continue to monitor and review' is not sufficient action given the Council's budget position for either under or overspends.

53. FORWARD WORK PROGRAMME

Councillor Heesom asked if the meeting on 18 January 2018 could be brought forward to consider an update on the Council's financial position including the consequential of any additional funding from the Welsh Government. The Chief Officer (Governance) advised that the Council was due to receive its Final Local Government Settlement on 20 December and may not receive additional information until a later date. He suggested that the Chief Executive and Leader circulate a note to Members when the information was received, recognising that this may be in the New Year.

In presenting the current Forward Work Programme, the Democratic Services Manager advised that the January meetings of the Environment Overview & Scrutiny Committee and Education & Youth Overview & Scrutiny Committee would be open to all Members to consider budget items.

It was agreed that:

- The detailed Workforce Information report, discussed earlier, would be scheduled for 15 February 2018.
- The Equalities Annual Report would be scheduled for 15 February 2018.
- Confirmation would be given on whether the budget consultation meeting in late January was to proceed.
- The Quarter 3 Council Plan Monitoring report in March would include exceptions reported to all Overview & Scrutiny committees, as requested at the previous meeting.
- The frequency and detail of reporting of fair distribution of funding, as set out in the recent Notice of Motion, would be discussed at the February meeting.

RESOLVED:

- (a) That the Forward Work Programme as submitted, be approved with amendments;
- (b) That the Democratic Services Manager, in consultation with the Chairman, be authorised to vary the Forward Work Programme between meetings, should this be necessary.

54. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There was one member of the press in attendance.

(The meeting started at 10am and ended at 12.55pm)

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Chairman