

# POLICY & RESOURCES SCRUTINY COMMITTEE

## 14<sup>th</sup> JULY 2016

**Present:** Councillor D.W.H. Richards (Chair)

**Councillors:** S.M. Allen, G. Davies (Vice-Chair), T. Devichand, J.S. Edmunds, W.J.W. Evans, J.K. Howell, A.W. Jones, A. Lenny, D. Price, R. Thomas, D.E. Williams

**Also in attendance:**

**Councillor D.M. Jenkins – Executive Board Member for Resources**

**Councillor P.A. Palmer – Executive Board Member for Communities**

**Councillor L.M. Stephens – Executive Board Member for Human Resources, Efficiencies & Collaboration**

**The following officers were in attendance:**

Mr. P.R. Thomas – Assistant Chief Executive (People Management & Performance)

Mrs. W. Walters – Assistant Chief Executive (Regeneration & Policy)

Mr. C. Moore – Director of Corporate Services

Mr. J. Fearn – Head of Property

Mrs. L. Rees-Jones – Head of Administration & Law

Mr. P. Sexton – Head of Audit, Risk & Procurement

Mr. N. Davies – IT Infrastructure Manager

Mr. J. Owen – TIC Programme Manager

Mrs. A. Wood – HR Manager

Ms. R. Llewellyn – Performance Governance & Policy Officer

Mr. S.J. Williams – TIC Officer

Mr. M. Hughes – Democratic Services Officer

**Venue:** County Hall Chamber, Carmarthen (10:00am – 1:15pm)

### 1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor A.G. Morgan.

### 2. DECLARATIONS OF PERSONAL INTEREST

There were no declarations of personal interest.

### 3. DECLARATION OF PROHIBITED PARTY WHIPS

There were no declarations of party whips.

### 4. PUBLIC QUESTIONS (NONE RECEIVED)

No public questions were received.

## 5. FORTHCOMING ITEMS

The Committee **RESOLVED** that the items to be considered at its next meeting, scheduled for Wednesday 5th October 2016, be noted.

## 6. TRANSFORM, INNOVATE & CHANGE (TIC) PROGRAMME ANNUAL REPORT 2015/16 AND BUSINESS PLAN 2016/17

The Committee considered the 2015/16 Annual Report for the Transform, Innovate & Change Programme, as well as its Business Plan for 2016/17. The Committee was reminded that the programme was launched in 2012 in response to the significant financial challenges being faced by the Local Authority and that to date, the TIC approach had assisted in identifying, or was helping to deliver, approximately £6.4m of efficiency savings. The Committee also received a presentation outlining projects relating to back office processes which had led to significant savings in both time and money, as well as leading to more efficient methods of working.

The following issues were discussed during consideration of the report and the presentation:

It was asked how many of the improvements being implemented amongst back office functions were actual savings rather than due to advancements in technology being adopted by different services. The TIC Officer stated that the technology had enabled the realisation of the savings, taking work out of the former time-consuming processes. Adopting technological approaches had not only improved processes internally but was now allowing the Authority to interact with external organisations and suppliers much more efficiently.

The developments outlined in the presentation and the embracing of new technologies were welcomed but it was asked how the desire to innovate and embrace more efficient ways of working was being embedded in line managers' thinking and whether managers should be expected to operate in this way. The TIC Programme Manager informed the Committee that the long-term strategy was to embed the methodology within services. The TIC Team had used the 'Vanguard' approach to enable departments to view and understand their services from a customer's perspective. Having used this model, departments themselves were now more confident of undertaking further reviews of their services using this approach, rather than depending on the TIC Team to facilitate further reviews. The TIC Programme Manager further clarified that when undertaking a Vanguard-style review, a cross-section of the relevant service was invited to participate, including heads of service, senior manager as well as front-line staff. Taster sessions for Third Tier Managers were planned for the autumn which would involve a range of staff members presenting their findings at these sessions.

In response to a question as to the capacity of the managers employed by the Authority to undertake such reviews, the TIC Programme Manager noted that due to the cross-cutting nature of many TIC reviews, a number of different managers would normally be involved. To date, managers who had been approached to assist with reviews had always shown commitment and enthusiasm. Lack of participation had never been a problem. He also stressed that there was a significant amount of work on-going within departments, quite separate to the main projects facilitated by TIC.

Reference was made to the review of Third Sector Funding which had now been completed and it was asked whether this meant the end of TIC's involvement with this particular project. The Assistant Chief Executive (Regeneration & Policy) reminded the Committee that it had received a report on this review at its last meeting in June and stated that whilst the review itself had been completed, a team within her division would from now on, be co-ordinating the Authority's spend on Third Sector services in order to ensure that there was no duplication of spend (e.g. paying different organisations for providing similar services). In response to a further query, the Assistant Chief Executive (Regeneration & Policy) confirmed that the savings identified in the report were linked to contracts that had ended or where funding had been reduced. It had been expected that the most significant savings would be realised first (as instances of duplication were identified) and would reduce over time. She also noted that an all-Wales study on third sector spending undertaken by the Wales Audit Office, was expected to be published in October. Carmarthenshire, along with a small number of other local authorities, had been selected as case studies for this particular review. She agreed to present the report to the Committee for its consideration, at a future meeting.

It was asked whether the improved processes meant that suppliers were now being paid quicker. The TIC Officer noted that as a significant amount of time had been removed from the process, suppliers should now receive payment earlier than they had previously.

Reference was made to one of the case studies where the school kitchen ordering process had been revised and it was asked whether this would lead to a reduction in the amount of food wasted. The TIC Officer stated that whilst this was not known, the new procedures did enable schools to order supplies up to two days before the delivery date, rather than a week in advance. In theory, this would mean that schools could manage their stocks more efficiently.

The Chair thanked the officers for their presentation and the Committee **RESOLVED** that the report be received.

## 7. TACKLING POVERTY ACTION PLAN

The Committee considered an update report in relation to the Authority's approach to and activities in tackling poverty. The report included details of the work of the cross-party Focus Group, the Council's Tackling Poverty Action Plan and the establishment of a Tackling Poverty Advisory Panel to support the Executive Board member with responsibility for the agenda.

The following issues were discussed during consideration of the report:

Clarification was sought as to the methods used during the rural poverty study and whether the definition for 'rural' was misleading in that the area included parts of the County's towns. The Performance Governance & Policy Officer informed the Committee that the Corporate Policy Team had undertaken the study and following an initial desktop exercise, a total of 5,000 questionnaires were sent to households across the Rural Development Plan area. Questionnaire were also sent to town and community councils, businesses and schools. A total of 1,099 responses were received. The findings were presented to the Community Scrutiny Committee and would be used to inform future projects in the area. She added that the report could be circulated to the Committee for information. The Assistant

Chief Executive (Regeneration & Policy) informed the Committee that the definition of the rural area had been the same for the past twelve years and used by those administering various sources of grants and funding.

Reference was made to assisting individuals into training and volunteering and it was asked how the success, or otherwise, of these activities was being monitored. The Assistant Chief Executive (Regeneration & Policy) informed the Committee that where there was a second programme working alongside such initiatives in order to help individuals find and access employment opportunities, it was possible to monitor the success of these initiatives. However, outside of this, it was extremely difficult to monitor and track individuals, especially if they left the County altogether. In response to a further suggestion, the Assistant Chief Executive (Regeneration & Policy) acknowledged that the use of technology (e.g. email, social media) could be used to follow up on individuals who had been assisted in this way in order to track their progress. She agreed to share this suggestion with officers in the relevant team within her division.

It was asked how many jobs had actually been created through initiatives such as Communities First. The Assistant Chief Executive (Regeneration & Policy) acknowledged that at first, such initiatives had not led to the creation of many jobs but since measures had been introduced to ensure the efficient and effective use of funding, this had led to a significant increase in those now finding employment.

Reference was made to a number of actions relating to Children's Services which were off target and it was suggested that the health visitor approach was not working, especially as these had been brought in-house from the Third Sector and the Health Board. The Assistant Chief Executive (Regeneration & Policy) informed the Committee that this particular service was the responsibility of the Head of Children's Services and that she would seek a response for the Committee on this matter.

During discussions it was noted that during the school holidays, some children would not be receiving a cooked meal every day, as they would during term time. It was therefore asked whether the Authority would consider opening school kitchens during the holidays in order to provide those who were eligible with a meal. In response, a member of the Tackling Poverty Focus Group and the Executive Board Member for Communities both informed the Committee that this was an option that had been discussed, possibly employing teaching assistants to provide the service. However, there were issues such as cost and the stigma associated with receiving free meals that would need to be addressed. There were examples of where voluntary organisations within the County had already been offering such services but that there was no overall co-ordinated approach.

**RESOLVED that the report be received.**

## **8. REVENUE AND CAPITAL BUDGET MONITORING REPORT 2015/16**

The Committee considered a report outlining the end of year financial position for the revenue and capital expenditure in relation to the remit of the Policy & Resources Scrutiny Committee, in respect of the 2015/16 financial year. The Committee was informed that the Authority was reporting an underspend of £418,000 for the financial year. Final outturn figures indicated an overspend of £33,000 for the financial year at departmental level, which in turn had been offset by an underspend of £1,399,000 on capital charges. The resultant outturn has

meant that the Authority has transferred £280,000 to its general reserves for the 2015/16 financial year.

The following issues were discussed during consideration of the report:

In response to a question about the additional placements and additional cost of increased fees (worth £391,000) paid to providers by the Communities Department, the Director of Corporate Services informed the Committee that this was linked to inflation and the overall cost of the service.

It was suggested that in light of the increase in the national minimum wage, private sector provision within the social care sector might well be as, if not more costly than that provided by the public sector. The Director of Corporate Services acknowledged that the changes to the minimum wage would create additional financial pressure and reminded the Committee that this had been flagged up as a potential budgetary pressure within the 2016/17 Budget Report presented to the County Council in February. However, whilst the margins were reducing between private and public providers, they were still not the same at the current time.

Assurance was sought that due to the current economic uncertainty, the County Council would not rush into borrowing money for unnecessary projects and that there was a need for careful planning ahead. The Director of Corporate Services agreed that there was a need to plan ahead in a detailed manner although such planning was compounded by the fact that the Welsh Government was not currently providing any clear guidance or indications of future funding allocations.

It was asked whether the working budget for public conveniences included the operating costs for the Danfo-operated toilets. The Director of Corporate Services confirmed that it did. In response to a further query about the public conveniences now run by the Local Authority, the Chair informed the Committee that this information could be circulated following the meeting.

Clarification was sought on the projects included in the Ammanford Town Centre Regeneration scheme, worth £466,000. The Assistant Chief Executive (Regeneration & Policy) informed the Committee that these priority projects had been agreed by local elected members and that whilst she did not have specific details to hand, this information could be forwarded following the meeting.

**UNANIMOUSLY RESOLVED** that the report be received.

## **9. END OF YEAR CORPORATE PERFORMANCE MANAGEMENT REPORT 1ST APRIL 2015 - 31ST MARCH 2016**

The Committee considered the report, which provided a year-end overview of how the Authority was performing. The report included:

- Improvement Plan Monitoring – Actions & Measures
- Sickness Absence
- Compliments / Complaints

The Committee was also given an update in relation to the Authority's sickness absence performance which had increased to 10.1 days, an increase of 1 full time equivalent day from last year's result. The Assistant Chief Executive (People

Management & Performance) expressed disappointment that despite having good clear policies and examples of significant improvement in many service divisions, the overall figure had increased. He expressed particular concern at the increase in sickness absence in primary schools and referred to on-going work to assist schools, especially in relation to sickness absence insurance costs and supply cover.

The following issues were discussed during consideration of the report:

It was suggested that the Committee invite heads of service to future meetings to discuss their approach in dealing with sickness absence. The Committee agreed to the proposal but other members suggested that the Chair and Vice-Chair liaise with the Assistant Chief Executive (People Management & Performance) to arrange this and that the proposal be for all services, not just those causing concern.

It was asked whether the reasons for sickness absence in school were any different to those for the local authority's own workforce. The Assistant Chief Executive (People Management & Performance) informed the Committee that there was no difference and that the same themes were evident, with stress being the most common cause. He reassured the Committee that resources had been deployed to assist schools as head teachers had identified sickness absence as being one of their biggest problems.

Given that stress was the biggest single cause of sickness absence, it was asked what the Authority was doing wrong in that the workforce was being affected in this way. It was asked whether workers were fatigued or overburdened as more responsibilities and expectations were placed on fewer workers. The Assistant Chief Executive (People Management & Performance) reminded the Committee that ultimately, good and proper management was the key factor in relation to sickness absence and that if stress was given as a reason for absence, then completion of a stress questionnaire was required of the employee. The Assistant Chief Executive (Regeneration & Policy) noted that stress was a difficult area to define as it could be interpreted differently from one individual to another. One small change in the workplace might be considered a major problem to one individual but it was how such a change was communicated and managed by the relevant manager that was the key. The Assistant Chief Executive (People Management & Performance) also voiced concern that stress was now becoming the new 'bad back syndrome' and that often it was not found to have been work-related but linked to matters in an individual's personal life. Major upheavals and investigations into malpractice in specific service areas were also known to trigger incidences of stress-related absence.

It was asked whether there were sufficient numbers of managers in post and whether the reduction in staff (e.g. severance), was placing remaining staff under increased strain as they picked up the resulting work left by the departing individual. The Assistant Chief Executive (People Management & Performance) informed the Committee that prior to a severance arrangement being approved, a robust business case for allowing an individual to leave was required and that their manager was required to confirm that there would be no adverse impact on the delivery of the service and on the remaining workforce.

In response to a further question about why staff members might feel that they had to take sick leave due to a specific issue in the workplace, the Assistant Chief Executive (People Management & Performance) noted that ultimately, it was about drilling down and seeking to understand individuals' reasons for their absence but that staff members' stated reasons had to be accepted. He added that the Authority had worked hard to make it easier for staff to be more open to discuss problems in the workplace or at home. Managers were also able to utilise flexible working practices (e.g. flexi time and home working) to provide staff members with options for dealing and coping with issues in their personal lives so that their work duties were not affected.

In response to a suggestion that the Authority's Whistleblowing Policy did not provide staff members with a sufficient protection, the Head of Administration & Law reminded the Committee that the Policy had been commended by the Wales Audit office and that there were contact officers for all departments should an individual wish to raise a matter of concern. There were safeguards in place to protect the anonymity of whistle-blowers and they were also asked for feedback on the process, once an investigation was completed.

**RESOLVED that:**

**9.1 The report be received.**

**9.2 The Chair and Vice-Chair, in conjunction with the Assistant Chief Executive (People Management & Performance), arrange for Heads of Services to attend future meetings of the Committee to discuss their approach to reducing sickness absence within their respective service areas.**

**10. END OF YEAR DEPARTMENTAL PERFORMANCE MANAGEMENT REPORT - 1ST APRIL 2015 TO 31ST MARCH 2016**

The Committee received, for consideration, the End of Year Performance Management Report for the services within its remit, for the period 1st April 2015 to 31st March 2016. The report included:

- Heads of Service Overview of Performance
- Improvement Plan Monitoring – Actions and Performance Measures
- Complaints and Compliments Monitoring

The following issues were discussed during consideration of the report:

In response to a question about the legal support for the Dyfed-Powys Police Panel, the Head of Administration & Law reminded the Committee that this Panel's membership comprised county councillors from the respective local authorities within Dyfed-Powys Police Force area and that Carmarthenshire County Council provided independent legal advice to this Panel.

Reference was made to the £20m borrowed during 2015/16 in order to support the capital programme and it was asked why this figure had been borrowed when elected members had previously been informed that this amount had been found within existing reserves. The Director of Corporate Services informed the

Committee that this was linked to cash flow and that he could provide a detailed explanation during consideration of Item 11.

It was asked whether officers were confident of achieving capital receipts in the current financial climate, in light of the fact that only 75% of the 2015/16 target had been achieved. The Director of Corporate Services reminded the Committee that whilst there was uncertainty at the present time, there were no legal commitments made in relation to the capital programme, beyond the 2016/17 financial year. The Assistant Chief Executive (Regeneration & Policy) added that whilst the banks continued to lend to developers, many had until this point looked for additional financial support from local authorities and EU funding. The Head of Property informed the Committee that whilst the previous year's target had not been achieved, on aggregate over recent years, the level of capital receipts had actually been exceeded.

In response to a question on the potential cost of maintaining ageing Council buildings, the Head of Property informed the Committee that asset management planning was an on-going activity and that the new Corporate Asset Management Plan would be presented to the Committee at a future meeting. Whilst the Authority retained a number of older buildings, there was an on-going maintenance programme to ensure that the fabric and structure of these buildings were maintained. Improvement works, for example, had recently been completed at Tŷ Elwyn, Llanelli and were about to start at Municipal Buildings, Llandeilo. Officers also monitored the use of office space on a regular basis to ensure the most efficient use of offices facilities across the County.

Clarification was sought as to what community benefits might be delivered as part of procurement exercises. The Head of Audit, Risk & Procurement informed the Committee that as part of procurement exercises, both over and under the value of £1m, officers sought to obtain benefits from the successful supplier or provider. One example was the current development of the Carmarthen West Link Road where a viewing platform had been installed to allow pupils from nearby schools an opportunity to view the construction work and encourage interest in subjects such as engineering and construction. He agreed to confirm what the non-core community benefits (linked to the bus companies) referred to in Report B (Action 11645) were and circulate details to the Committee.

**RESOLVED that the report be received.**

*The Committee's attention was drawn to the fact that the meeting had been underway for 3 hours. It was, accordingly, **UNANIMOUSLY RESOLVED** to suspend Standing Orders in order that the remaining items on the agenda could be considered.*

## **11. END OF YEAR TREASURY MANAGEMENT AND PRUDENTIAL INDICATOR REPORT 2015/16**

The Committee considered the Annual Report listing the treasury management activities which occurred during the 2015/16 financial year, in line with the Treasury Management Policy and Strategy 2015/16 that was adopted by Council on the 24th February 2015.

The following issues were discussed during consideration of the report:



Reference was made to the £20m borrowed during the 2015/16 financial year to support the capital programme. The Director of Corporate Services informed the Committee that the timing of the borrowing was linked more to cash flow and market rates than specifically when the Authority spent the capital programme within the year. He reminded the Committee that the Authority had under borrowed significantly over a number of years due to the internal funds being available as a short term funding source. This had saved the Authority money in terms of interest charges. The current Capital Financing Requirement (which was effectively the borrowing limit) was £454m. However due to the cash flow and reserve funds available during 2015/16, the borrowing was substantially lower at £376m and consequently at the year end, the Authority was utilising internal borrowing of £78m. As the Authority applied the reserves to the capital programme over future years, the internal borrowing would reduce.

The Director informed the Committee that decisions on when borrowing took place during the year, were influenced by cash flow need, the interest rate at that point in time and the forecasted future movements in rates. During 2015/16, the decision was made that the interest rate applicable on the 28th September 2015 was the optimum rate for drawing down the expected need within the year. Four individual loans, as opposed to one loan, were drawn down on that day to support the levelling of the future maturity profile.

**RESOLVED** that the report be received.

## **12. POLICY & RESOURCES SCRUTINY COMMITTEE ACTIONS AND REFERRALS UPDATE**

The Committee considered a report detailing progress in relation to actions, requests or referrals emerging from previous scrutiny meetings.

**RESOLVED** that the report be noted.

**SIGNED:** \_\_\_\_\_ (Chair)

**DATE:** \_\_\_\_\_