

CORPORATE RESOURCES & IMPROVEMENT OVERVIEW & SCRUTINY COMMITTEE - WEDNESDAY, 8 FEBRUARY 2017

MINUTES OF A MEETING OF THE CORPORATE RESOURCES & IMPROVEMENT OVERVIEW & SCRUTINY COMMITTEE HELD IN COMMITTEE ROOMS 2/3, CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON WEDNESDAY, 8 FEBRUARY 2017 AT 2.00 PM

Present

Councillor M Reeves – Chairperson

G Davies	E Dodd	JR McCarthy	RL Penhale-Thomas
JC Spanswick	G Thomas	RE Young	

Apologies for Absence

CA Green, DRW Lewis and D Patel

Officers:

Caron Cant	Interim Digital Transformation Programme Lead
Susan Cooper	Corporate Director - Social Services & Wellbeing
Randal Hemingway	Head of Finance & Section 151 Officer
Andrew Jolley	Corporate Director Operational & Partnership Services
Rachel Keepins	Democratic Services Officer - Scrutiny
Darren Mephram	Chief Executive
Martin Morgans	Head of Performance and Partnership Services
Andrew Rees	Senior Democratic Services Officer - Committees
Mark Shephard	Corporate Director - Communities

228. COUNCILLOR M BUTCHER

The Chairperson referred to the death of Councillor Butcher this morning. All present stood in silence as a mark of respect.

229. DECLARATIONS OF INTEREST

None.

230. APPROVAL OF MINUTES

RESOLVED: That the minutes of the Corporate Resources & Improvement Overview and Scrutiny Committee of 17 January 2017 be approved as a true and accurate record subject to Councillor E Dodd being added to the list of Members present.

231. FORWARD WORK PROGRAMME UPDATE

The Scrutiny Officer presented a report which detailed the items to be considered and the invitees to attend the next meeting of the Committee on 15 March 2017.

Conclusions

The Committee noted the items to be considered at its meeting on 15 March 2017.

232. DIGITAL TRANSFORMATION PROGRAMME - PROGRESS UPDATE

The Chief Executive reported on an update on the Digital Transformation Programme and provided an overview of the overall aims of the Digital Transformation Strategy, including those projects already identified. He stated that a number of approaches in England had been looked at by the Corporate Management Board in developing the programme due to a lack of similar programmes being implemented by Welsh local authorities.

He informed the Committee that a hybrid approach had been adopted which relied on internal and external resources supplemented with specialist skills and expertise procured from external suppliers as needed; this allowed a flexible approach to be adopted. He stated that there had been a very strong user focus in developing the strategy and that the programme was not about an ICT programme but was about transformation supported by ICT. The Transformation Programme supports the Corporate Plan and One Council ethos. Digital Transformation had been used widely by banks and the retail sector to transform their services. He informed the Committee that Caron Cant who had experience in several other local authorities had been engaged to help with the digital transformation process.

The Chief Executive informed the Committee that a “Digital Roadmap” had been developed to highlight the work to be delivered within the programme and within that a series of Work Packages had been set having their own budget and milestones. Work Package 1 involved the development of My Account which is an online feature and allows residents, staff and Members to access services such as council tax; housing benefit, waste and recycling. The programme was initially was focusing on council tax and housing benefit. Work Package 2 involved the redesign of the website which was currently not fit for purpose. Work Package 5 would see would involve the piloting of tablet devices to Members to assist with reducing paper. HR Self-Serve would be used in Work Package 3 to develop the internal HR system.

The Committee in welcoming the plan commented on the difficulty in finding Committee reports on the website and that introducing functionality such as web-chats would enhance the user experience. The Committee however stated that caution would need to be exercised with this approach in areas where the demographic is different such as a high proportion of elderly people who would possibly prefer to have face to face contact with the Council. The Committee questioned what steps it was taking to include and not exclude people. The Digital Transformation Lead commented that a great deal of research had been done on user needs and a user centred approach and that the website redesign would have the input of citizens of all ages. She stated that a user needs assessment is essential in the development of transforming services. The Chief Executive informed the Committee that the Council did not want to be a “hole in the wall” Council and neither did it wish to exclude some citizens because of their circumstances. The digital transformation programme was about giving citizens choice on how they wish to access Council services. The Deputy Leader commented that the benefits of digital transformation are well made and some citizens would need help in accessing services digitally. He stated that the he did not want the Council to be a faceless organisation and staff would be on hand to guide customers through digital services.

The Committee questioned paragraph 3.3 of the report where it referred to transactions being completed digitally freeing up staff to deal with a range of services which seemed to be at variance with the financial implications of the report which referred to efficiency

savings being made. The Head of Finance confirmed that development of the My Account function would produce financial savings which would free up staff time from undertaking transactional work in connection with Council Tax and Housing Benefit to focus on the recovery of income. He referred to an example where an officer had been retained in his Department who had recovered income by threefold on his salary following the transfer of fraud staff to the DWP. The Digital Transformation Lead informed the Committee that the programme was about delivering a qualitative service and not about losing jobs.

The Committee questioned how the recycling and waste contract would fit in to the digital transformation programme. The Digital Transformation Lead informed the Committee that waste and recycling had been included in My Account and will ultimately be present on My Account (once the new provider arrangements with Kier are established) which allowed residents, staff and Members to access those services online and would be included when the new website is launched. The timescale for Launching Council Tax and Phase 1 of the website (front page, interface page between the website and My Account and the associated My Account pages on the web (C/Tax first) will be launched in September (dependent on securing the right digital partner) the website as a whole will be developed in a module by module basis across services post September. The Head of Performance and Partnership Services informed the Committee that the Council was discussing with the contractor a process for dealing with enquiries and complaints digitally. The Deputy Leader stated that complaints on the waste and recycling contract would initially be dealt with by the Council and then signposted to the contractor.

The Committee questioned whether there was sufficient time for the launch of the website and My Account in 6 months' time. The Digital Transformation Lead informed the Committee that the testing of systems with Council Tax and Housing Benefit will take place after year end and the launch in September will be an external launch. The launch of My Account and Phase 1 of the website will take place in September and Council Tax will be the first service to go on-line. The Deputy Leader commented on the importance getting it right as opposed to being restricted to time. The Head of Finance commented that Council Tax will be the first service to go online.

The Committee commented on the potential difficulty delivering Work Package 5 – Member Services and on reducing the use of paper. The Head of Performance and Partnership Services informed the Committee that the aim of Work Package 5 is to reduce the reliance on printed material and to this end the elected members who are members of the ICT Forum had agreed to pilot the use of tablet devices. He stated that there was not one size fits all and Members will be given the option of having tablet devices or laptops, however there was a need to ensure that the Council's data was secured. He also referred to the work undertaken by the Democratic Services team in digitalising agendas through the use of the Modern.gov system.

The Committee questioned how the digital transformation programme would fit in with existing systems in place. The Head of Performance and Partnership Services informed the Committee that there was a need to ensure there was no duplication of existing with services being developed on My Account. He stated that where a service could not be offered digitally the status quo would prevail. The Committee questioned whether best practice in Wales had been considered. The Head of Performance and Partnership Services stated that a great deal of research had been undertaken to look at the experiences of public bodies elsewhere. He stated that the website would be designed in such a way that citizens would be able to navigate to the part of the website they desired in 3 clicks in line with industry standards.

The Committee requested detail on the revenue and capital costs of the programme. The Head of Finance informed the Committee that £2.5m had been included in the capital programme to cover the costs associated with digital transformation and there may be some additional costs which would be met from revenue. The Committee questioned whether there would be a net saving derived from the programme. The Chief Executive stated that the costs of the digital transformation had been established in the Business Case and based on the experiences of Councils elsewhere who had implemented similar programmes.

The Chairperson thanked the invitees for their contribution.

Conclusions

1. The Committee reflected on the level at which the report and associated documents were pitched at in that the detail, particularly in the presentation attached, was too technical and not really suitable for the public. Members recommended that any public documents relating to the Digital Transformation need to be produced in a manner that provide a clear picture of the changes being introduced and enable the public to understand exactly what is going on and how it will affect them.

Further Information Request

2. The Committee requested further information on the timescales associated with each of the work packages.

The Committee agreed to put forward Digital Transformation as a suggested item on the future FWP in order to further monitor the project including its potential savings and risks.

233. BUDGET MONITORING 2016-17 QUARTER 3 FORECAST

The Scrutiny Officer introduced the report of the Head of Finance which updated on the Council's financial position as at 31 December 2016.

The Committee requested an explanation of the under spend of £1.98m in the Operational and Partnership Services Directorate and questioned the pressures on carrying out back office functions and delays to processing transactions in Legal Services due to staff reductions / shortages. The Corporate Director Operational and Partnership Services explained that the under spend was attributed to a number of reasons, in part, due to budget planning for next year to account for the devaluation of Sterling. He also explained that problems had been experienced in recruiting legal staff and a bid had also been made to recruit senior staff to support the transformation agenda but again had been unable to recruit. He stated that if he cut the number of staff it would impact on the functioning of services elsewhere in the Council and he did not believe there had been a serious problem in the delivery of services. He also informed the Committee that the Directorate had maximised the use of grant funding in Housing Options and Homelessness which had also contributed to the savings in the Directorate. The Cabinet Member Wellbeing and Future Generations commented that the Cabinet Secretary was looking at bringing together the funding of anti-poverty schemes together, namely, the Supporting People Programme; Families First and Communities First and that an announcement was anticipated soon.

The Committee questioned whether the under spend of £1.98m was after the drawdown of £699k had been made from earmarked reserves. The Head of Finance explained that the Operational and Partnership Services Directorate had received support of £699k which would then be released back to the General Fund and without which the under spend would be £1.4m.

The Committee questioned whether the application of vacancy management in the Operational and Partnership Services Directorate was not detrimental to processing work and service delivery. The Corporate Director Operational and Partnership Services stated that he was satisfied with some elements of vacancy management but not with all of it. He informed the Committee that the ICT service had countered difficulties in recruitment by introducing an apprenticeship scheme. He had also experienced difficulties in recruiting Solicitors and to this end had embarked on a grow our own strategy and had recruited Paralegals and Trainee Solicitors. He intended to roll this strategy out across the Directorate but was not yet in a position to do so in Housing. The Committee asked whether difficulties could be encountered in retaining staff after they had been trained. The Corporate Director Operational and Partnership Services stated that he had to be prepared for the eventuality of staff leaving to pursue opportunities with other public bodies and which did happen.

In response to a question from the Committee, the Corporate Director Operational and Partnership Services requested that he be provided examples of where there were perceived to be delays in the processing of Traffic Orders and Community Asset Transfers.

The Committee questioned whether the over spend of £836k was after the drawdown of £925k had been made from earmarked reserves. The Corporate Director Social Services and Wellbeing confirmed that the over spend at year end was £836k. The Head of Finance informed the Committee that the drawdown of £925k was for a range of items or one off expenditure.

The Committee referred to continued pressure from the Welsh Government and new legislative requirements being placed on local authorities and questioned what the authority and WLGA were doing to pressure the Welsh Government in relation to funding as the pressures were unsustainable. The Corporate Director Social Services and Wellbeing informed the Committee that all local authorities across Wales face the same pressures in delivering social services. She stated that changes were being to remodel adult social care services, however the numbers of looked after children were increasing. She also stated that the Association of Directors of Social Services collects information from all 22 local authorities and lobbies the Welsh Government Minister to allocate more resources due to demographic pressures. The three Western Bay local authorities and health board lobby the Welsh Government in relation to the Intermediate Care Fund. The authority also showcases its work with the Welsh Government and it was about delivering services differently which can take time to take effect.

The Cabinet Member Social Services and Early Help informed the Committee that services had been delivered with budgets which had been year on year and there had been a need to deliver those services within the budget available. He stated that efficiencies had been looked at but the authority faced so many statutory requirements within which to deliver services. He commented that the Directorate works hard to deliver services, despite £10m having been taken out of the budget over the last 4 years. The Cabinet Member Wellbeing and Future Generations commented that the authority is well represented on a national basis and in positions to influence policy as she sits on the All Wales Policy Group and the Leader is the WLGA spokesperson on Social Services.

The Committee commented that the budget cuts were the lowest net cuts compared to the other Directorates and requested an explanation of the over spend on looked after children and other child and family services and the drawdown of £518k. The Committee also questioned the costs of out of county placements. The Corporate Director Social Services and Wellbeing informed the Committee that the over spend of £730k on looked after children was due to money being taken out of the budget and that it had not been possible to make savings yet on looked after children. £400k had been taken out of the budget across two year for the implementation of a new model for residential services. She stated that money had been drawn down for adoptions which had enabled more adoptions to have taken place than projected. The Corporate Director Social Services and Wellbeing also informed the Committee that it had not been possible to make savings on looked after children as numbers had not reduced as much as hoped. She stated that the numbers of looked after children fluctuate between 380 and 385. The Corporate Director Social Services and Wellbeing informed the Committee that there are currently 13 out of county placements, with 2 placed in secure units at a cost of £2k per week. She stated that the Directorate has a tracking tool to monitor expenditure. The Cabinet Member Social Services and Early Help informed the Committee that the looked after children budget was particularly volatile and a small increase in the number of looked after children could have a significant impact on the budget due to their needs. He stated that promotional had been done to increase the number of fostering placements and adoptions and it was aimed to increase in-house adoption. The Corporate Director Social Services and Wellbeing informed the Committee that there is a strategy in place which has not affected the budget as yet which relates to the implementation of new legislation. She stated that £200k had been drawn down for the implementation of the When I'm Ready scheme and also to increase in-house fostering.

The Committee asked when would the savings on Home to School / College Transport be realised and were they realistic. The Chief Executive believed that the savings were not realistic, however elements of the strategy had worked, particularly the re-tendering. However, what had impacted changes from being fully realised were changes to routes which required consultation and had slowed down implementation. The Head of Finance stated that there is a reserve of £200k for new safe routes to school.

The Committee requested further information on how long it would take to implement the Home to School / College Transport policy.

The Committee questioned the reason for the delay in implementing staffing restructures and the non-achievement of overtime savings in Highways Services which had resulted in over spends. The Corporate Director Communities informed the Committee that there had been savings on overtime payments and that it was not a non-achievement but attributed to double counting. He stated that what was of concern was that a number of savings were due to the salami slicing effect on the budget which compromised service delivery. He informed the Committee that the authority is collaborating with neighbouring authorities and exploring partnering with Capita and there is also a profitable arrangement in place with SWTRA for work undertaken by the Highways Department on the trunk road network. He stated that progress is being made on making cultural changes to Highways services but significant budget changes have to be made.

The Committee referred to the over spend of £445k on Highways Services and questioned how much of the structure had changed in comparison to Highways Services in other local authorities. The Corporate Director Communities stated that he would provide an analysis on the changes made to Highways Services, but commented that

there are challenges ahead. The Cabinet Member Communities commented that staff had to be incentivised in order to work throughout difficult conditions in an emergency in order to deal with recent flooding.

The Committee questioned whether funding could be realised in respect of MREC, the Innovation Centre and Raven's Court as the Council has a great deal of capital tied up. The Corporate Director Communities informed the Committee that the Council is in a long term contract with Neath Port Talbot Council for MREC and in the process of negotiating a new contract and realising the savings remained a risk to the authority. He stated that the leasing of Raven's Court was dependent on the recovery in the property market. Approaches to lease the building had fallen through which had resulted in a one-off allocation of £195k from the MTFs Budget Reduction Contingency to meet the non-achievement of the budget reduction. He stated that savings on MREC would continue to be looked at and opportunities for the lease of Raven's Court. The Head of Finance informed the Cabinet that the lease of Raven's Court would not derive a capital receipt and in the event of the lease being completed would have brought new jobs to the Town Centre which would have been in excess of the savings and would have also paid for the cost of agile working and infrastructure requirements needed. He stated that there had been an under spend by the Directorate of £300k on Property Services and Highways Maintenance had delivered savings of £90k. Overtime payments had been used to cover the cost of employing agency staff due to staff sickness.

The Committee referred to the over spend of £210k which related to the under occupancy of the Innovation Centre and requested details of the ownership of this property. The Committee also questioned how much was owed as a result of the purchase of Raven's Court and the reason for the payment of £2.35m. The Corporate Director Communities informed the Committee that the Innovation Centre was held on a head lease and there was an under achievement of income on the property. He stated that consideration would need to be given on whether to invest in the facilities at the Innovation Centre or whether to invest elsewhere. The Head of Finance informed the Committee that the Council owns Raven's Court and had been funded through prudential borrowing. He stated that there had been an opportunity to make a one-off payment of £2.35m of prudential borrowing on Raven's Court in order to reduce future capital financing costs, which he had authorised. This took the form of an internal transfer from the Directorate to the corporate centre with no money being paid out. He explained that the funding could not have been used elsewhere. He referred to the comparison of budget against projected outturn at 31 December 2016 which showed the appropriation to / from earmarked reserves of £6.470m which had been presented in line with the requirements of the Wales Audit Office. He also outlined the movement of earmarked reserves where £4.272m had been drawn down. Reserves had been reviewed by the Finance Team over the year and the reporting of Reserves was now consistent to that of other Councils.

The Committee questioned the reason for the significant variation between Quarter 2 and Quarter 3. The Head of Finance informed the Committee that this was attributed to the availability of capital funding in order to fund City Deal, Band B of the School Modernisation Programme and Highway Improvements which explained the additional of £2.7m of reserves. He stated that the Major Claims Reserve had been reduced and Service Reconfiguration had been increased to meet the cost of redundancies. The Committee questioned the number of redundancies being planned. The Head of Finance informed the Committee that £30m required to be saved over the course of the MTFs and two thirds of the Council's budget was made up of staffing costs.

Conclusions

The Committee requested the following information:

Education

1. The Committee requested that they receive further information on the current status and plans for School Transport for clarification, for example timescales, what savings were committed to and what now are the achievable savings.

Communities

2. The Committee asked for a further breakdown of the savings for Highways Services.
3. The Committee asked to receive, for information, the report on Highways that is being sent to the next Community, Environment and Leisure Overview and Scrutiny Committee.

Operational & Partnership Services

4. The Committee expressed concern over the impact of vacancy management, both for the LA overall and particularly for the OPS Directorate who provide legal support for the whole Authority but are unable to recruit to posts. Members welcomed the initiative being undertaken to 'grow your own' but commented on the fact that there was still no security in this as there was no guarantee that these staff would remain with the LA. This led to apprehension amongst the Committee that the lack of legal support and knowledge could potentially have impact elsewhere in the Authority. The Committee agreed that this was an area to revisit and keep a close eye on for the future FWP to ensure that this did not occur.

General Comments

Reserves

5. The Committee expressed concern over the extra £2m being added to 'Service Reconfiguration' as illustrated in Appendix 5, with particular concern over public perception. The Committee asked for further detail and clarification as to what the £7,571m is being put aside for and how this decision was debated and made; in order to evidence and justify why this money is being held and not being used for services now.
6. The Committee asked for clarification over the process for approving additional reserve funding and detail as to why extra reserves are being added, such as £200,000 for the Public Realm Reserve.

234. **URGENT ITEMS**

There were no urgent items.

The meeting closed at 5.00 pm