

CORPORATE OVERVIEW AND SCRUTINY COMMITTEE - WEDNESDAY, 25 JULY 2018

**MINUTES OF A MEETING OF THE CORPORATE OVERVIEW AND SCRUTINY COMMITTEE
HELD IN COUNCIL CHAMBER - CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB
ON WEDNESDAY, 25 JULY 2018 AT 09:30**

Present

Councillor CA Green – Chairperson

JPD Blundell	N Clarke	J Gebbie	M Jones
RMI Shaw	JC Spanswick	T Thomas	

Apologies for Absence

T Giffard, RL Penhale-Thomas and B Sedgebeer

Officers:

Mark Galvin	Senior Democratic Services Officer - Committees
Gail Jewell	Democratic Services Officer - Scrutiny

Invitees:

Susan Cooper	Corporate Director - Social Services & Wellbeing
Councillor Huw David	Leader
Lindsay Harvey	Corporate Director Education and Family Support
Darren Mepham	Chief Executive
Zak Shell	Head of Neighbourhood Services
Councillor Charles Smith	Cabinet Member for Education and Regeneration
Councillor Richard Young	Cabinet Member Communities

73. APOLOGIES FOR ABSENCE

Apologies for absence were received from the following Members:-

Councillor R Penhale-Thomas
Councillor B Sedgebeer
Councillor PJ White
Councillor T Giffard

74. DECLARATIONS OF INTEREST

Councillor JP Blundell and Cllr R Shaw declared a personal interest in Agenda item 4.

75. FORWARD WORK PROGRAMME (FWP) UPDATE

The Solicitor to the Council and Monitoring Officer submitted a report in order to present Committee with:-

- a) the items due to be considered at the Committee's next meeting to be held on 26 September 2018 and seek confirmation of the information required for the subsequent scheduled meeting to be held on 6 November 2018;

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- b) a list of responses to comments, recommendations and requests for additional information from the previous meeting of the Corporate Overview and Scrutiny Committee;
- c) a list of potential Forward Work Programme items for formal prioritisation and allocation to each of the Subject Overview and Scrutiny Committees.

Attached to the report at Appendix A, was feedback from the last meeting of the Committee, whilst Appendix B detailed the Corporate Overview and Scrutiny Committee Forward Work Programme outlining the agenda for the next two meetings.

The Scrutiny Officer then referred to Appendix C to the report which contained the Subject Overview and Scrutiny Committees (SOSC's) FWP, which included the topics prioritised and agreed by the Corporate Overview and Scrutiny Committee for the next set of SOSC's in Table 1, as well as a list of proposed future topics at Table 2.

Following debate that ensued on the content of the report, the Committee confirmed the following items for Corporate Overview and Scrutiny Committee Forward Work Programme:

26 September 2018 Digital Transformation

6 November 2018 Procurement and Contracts

Members asked that the report detail:

- Information on homecare and employment contracts
- An update on the consideration to implement the Code of Practice - Ethical Employment in Supply Chains
- Information on how the Council ensures fair employment practices within supply chains
- An update on the outcomes of the Procurement business review
- What the Council do to promote ethical procurement - to possibly include a copy of BCBC's Procurement strategy

The Committee confirmed the following items for the Subject Overview and Scrutiny Committee Forward Work Programme:

5 September 2018 SOSC1 Home to School Transport

6 September 2018 SOSC 2 Advocacy

17 September 2018 SOSC 3 Waste Services

16 October 2018 SOSC 1 ALN Reform

18 October 2018 SOSC 2 TBC

22 October 2018 SOSC3 Revised CAT Process

RESOLVED: That the report be noted subject to the above proposals being implemented.

76. CITY DEAL

The Chief Executive submitted a report outlining aspects of the Cardiff Capital Region City Deal, specifically with regard to information on the following:-

- An overview of the City Deal & what will Bridgend gain from it ?
- What is Bridgend getting from the City Deal ? (what are we getting as the percentage of financial input ?)
- Is there a business plan that members can see ?
- What projects have been identified so far ?

He then gave an introduction to the report, following which Members and Invitees went into a question and answer session.

A Member referred to paragraphs 3.5 and 3.6 of the report, and noted that there were a lot of different components comprising the project, which included possibly 10 different visions (from the different organisations involved in the scheme) led on by 10 different Chief Executives. He wondered due to this, if there would be a loss of vision on key initiatives moving forward.

The Leader advised that there was only one vision with regard to the aspirations of the Cardiff Capital Region City Deal (CCRCD), ie that which was contained in the Business Plan supporting the scheme. This vision had been supported unanimously by the authorities involved in the City Deal, which was a long term project covering 20 years, that had been signed by all 10 participating organisations with the UK and Welsh Governments. The City Deal was financially supported by £375m, and would deliver employment, regeneration opportunities and improved transport links throughout the region covered by the project.

A Member enquired how much in the way of costs, ie of an administration and commissioning etc, had been incurred with regard to supporting the City Deal.

The Chief Executive advised, that certain support requirements put in place regarding the above were mandatory and these largely related to governance issues, for example the scheme would be subject to being scrutinised through one source, as opposed to each participating Authority scrutinising separately by way of 10 different methods. A Project team had also been put in place to support the CCRCD he added. Compared with other City Deals in operation throughout the UK support mechanisms such as the Project team were 'lean' the Chief Executive further added. The CCRCD also needed to be audited which came at a further extra cost he explained. He advised the Member that he could give an approximate cost of the total for the likes of the above, outside of the meeting.

The Chair of the CCRCD added that the cost for the above and certain other mandatory elements of the City Deal amounted to a centralised cost of £1m between each of the participating authorities.

A Member asked, of the £1m cost in terms of the support and monitoring of the CCRCD, did this include the cost of the project being audited, to which the Leader replied that it did.

A Member asked if the CCRCD was being supported by private sector or public sector employees/staff.

The Chair of the CCRCD confirmed that it was supported by the public service including employees from the participating authorities for the one project up and running to date, the Semi-Conductor project, Newport. Though as alluded to above, external bodies such as KPMG and other key agencies had to be external for reasons of monitoring, auditing and due diligence etc.

A Member asked what the rationale was behind introducing the Semi-Conductor project in the Newport area.

The Chair of the CCRCD advised that the reasons for this were due to the fact that the LG factory that existed there was of a suitable size to accommodate the Semi-Conductor project (so therefore there were no costs to be borne for a new build premises), and that there was sufficient land around the factory to accommodate any future further development there as an extension of the existing site. This build also accommodated effective methods of technology, and given the large area that surrounded it, this would help the economy of the area including the creation of jobs.

A Member asked of the process that was followed in terms of projects comprising the CCRCD being identified and then subsequently ratified.

The Chair of the CCRCD confirmed that all projects put forward, such as from the likes of private business companies, Universities or the local authorities involved in the CCRCD would put in appropriate bids that would be considered if they met all the necessary criteria as outlined in the Business Plan. Officer Working groups would then analyse each of the projects to see if they merited further consideration and if they were value for money. Key Members from each of the supporting authorities would then be given certain recommendations, following which, they would decide if any project put forward should be strongly considered. A total of 25,000 new jobs were being targeted as part of the CCRCD.

The Leader added that there was a very vigorous process in place regarding suggested projects for the CCRCD, and as the Chair had just confirmed, there were set criteria that had to be satisfied before these were strongly considered. Such projects needed to secure employment opportunities and attract private sector investment if they were to succeed as part of the CCRCD. He added that projects were welcomed in areas other than in the capital (of Wales), and furthermore be cross area to some degree or another.

The Chairperson asked if any projects in the County Borough of Bridgend had yet been decided upon.

The Chief Executive advised that certain projects were being considered, but at present these were the subject of ongoing dialogue.

A Member asked Invitees who sat on the CCRCD Project Board.

The Leader confirmed that this comprised of the elected Leader of each of the participating authorities/organisations who were ultimately the decision makers, with the Chief Executive or lead Officers from these bodies also attending in order to provide appropriate advice and expertise.

A Member asked if there were any restrictions as to who could recommend projects to be considered as part of the CCRCD.

The Leader advised that there were no restrictions as to where suggested projects originated from, adding that the Semi-Conductor project originated from the private sector that was successfully assessed and cleared through the CCRCD Business Plan.

A Member hoped that the proposal for a Park and Ride in the Brackla area could form part of a scheme covering a wider region under the CCRCD. He also referred to paragraph 4.7 of the report and a 5 year Gateway Review that was due in 2021, and asked if this would realise further funding of the project.

The Chair of the CCRCD advised that this was something that would be monitored in years 10 and 15 of the project, and it would also be gauged against the Gross Value Added (GVA) economic indicators formula. The situation regarding the Gateway Review was progressing satisfactorily he added.

A Member advised that she had concerns in relation to the problems of traffic congestion on the M4 in the immediate vicinity of Newport. She asked if this could be addressed under the CCRCD as part of any proposed project.

The Leader confirmed that this was a possibility, however, this was something that strictly should be addressed by the different transport providers and Welsh Government, particularly as this was a pre-existing issue that had been problematic for some time.

A Member sought assurance that any Contracts drawn-up for staff as part of the CCRCD, would be suitable for new employees, in that they would be compliant with Welsh Government guidelines and have suitable terms and conditions similar to other local government and civil service staff terms and conditions.

The Chair of the CCRCD assured the Member that this would be the case, and that the terms and conditions of employment of staff would be compliant with the appropriate ethical procurement rules.

A Member stated that he hoped that some of the projects earmarked as part of the CCRCD, would include valley areas such as the three situate in the County Borough of Bridgend.

The Chair of the CCRCD confirmed that the CCRCD would look to develop jobs in all valley areas across the region, and that the Hubs that had been developed in certain valley locations to date supported through Welsh Government funding, would look to be expanded further not just in the more areas of deprivation, but also in rural areas and towns also.

A Member referred to page 38 of the report, and some proposals for the CCRCD over the next 5 years with regards to the Housing Investment Fund. In conjunction with this, he also referred Members to page 59 of the report entitled Regional Housing Fund and housing growth areas in the valley areas together with housing projection figures. He made the point that site developers preferred to develop housing in areas other than the valleys, due to the fact that land value was higher in more rural or town locations. He asked if this would discourage developers building new housing developments in the valleys.

The Chair of the CCRCD confirmed that the Working Group of the CCRCD were making the effort of encouraging site developers to build new housing in all areas across the region where this was suitable to do so, including valley areas. There was a fund that was available to assist developers building on land where there was some sort of a problem there, ie land instability for example, amongst others.

The Leader added that there was a demand for housing provision in the valleys and there were sites there that were suitable in terms of accommodating new developments in such areas. He further added that ways could be looked at to encourage smaller site developers to build at these locations, and not just the larger developers such as Barratt and Wimpey, etc.

A Member referred to Priority 7 of the Business Plan, Improving Connectivity Globally, Regionally and Locally, and noted from the narrative on this, that there was no mention of works that were urgently needed at the Pencoed Rail Crossing.

The Chair of the CCRC confirmed that any works undertaken at this location were strictly the responsibility of Network Rail, though discussions were ongoing regarding works at this location between them, BCBC and both the UK and Welsh Government, as had been touched upon earlier in the meeting. If such works were completed including to the bridge, then this would allow for trains to operate more frequently than was currently the case, particular feeder trains from Maesteg to Cardiff.

As this concluded debate on this item, the Chairperson thanked the Invitees for attending and giving their contributions, following which the Chair of the CCRC retired from the meeting.

Conclusions:

The Committee understand that the Cardiff Capital Region City Deal is an incremental process but Members are concerned that since the 10 Local Authorities signed the regional investment fund in 2016, there has been only one project that has been capitalised by the partnership.

The Committee highlighted the fact that the cover report and business plan lacked any localised information and recommend that an update report be prepared for Members in the future to provide detail of how each project will benefit Bridgend specifically as well as the rest of the region. The Committee have also asked the report detail what administration costs accrued to date.

Additional information

The Committee have requested to receive information on how citizens and local businesses are able to propose ideas and details for potential regional investment proposals.

Members have also asked to be provided with detail of what projects have been proposed so far and from what area within the region.

77. FINANCIAL PERFORMANCE 2017-18

The Interim Head of Finance submitted a report, the purpose of which, was to provide the Committee with an update on the Council's financial performance for the year ended 31 March 2018.

The Chief Executive referred Members to the Council's net revenue budget and final outturn for 2017-18 as was detailed in Table 1 in the report, which reflected the comparison of budget against actual outturn as at the above date.

The report then included in paragraph 4.1.6 at Table 2, certain virements and technical adjustments processed during Quarter 4.

The next section of the report then expanded upon the monitoring of Budget Reduction Proposals, giving an explanatory note with regard to budget reductions for 2017-18 and a comparison of the same, for the previous period of 2016-17.

Paragraph 4.2.4 of the report then identified the most significant budget reduction proposals that hadn't been achieved as part of the RAG status, ie red, amber, green.

Appendix 2 to the report identified the actual amount of savings against the above mentioned proposals, and action to be taken by the appropriate Directorates to mitigate shortfalls going forward. The savings identified not met in full, would continue to be monitored during 2018-19. The Social Services and Wellbeing Directorate had developed a Future Service Delivery Plan presented to Committee previously, and this outlined the Directorate's response to the financial challenge facing it, not least setting out the planned actions to be undertaken in order to make the required MTFs savings and maximise income opportunities by March 2019. This would be monitored continuously throughout 2018-19.

The next section of the report then gave a commentary on the financial position for each main service area comprising the different Directorates of the Council, whilst Appendix 3 to the report expanded upon this, as well as both commenting on the most significant variances.

The report then referred to the Capital Programme Outturn for 2017-18, with it advising that the original budget approved by Council on 1 March 2017, had been further revised and approved by Council during the year to incorporate budgets brought forward from 2016-17, together with any new schemes and grant approvals. This information also included details of schemes where slippage is required, and the reasons for such slippage.

Table 6 in the report, gave details regarding Movement on Earmarked Reserves to 31 March 2018, whilst Table 7 following this, outlined Net Appropriations to/from Earmarked Reserves during Quarter 4. A full breakdown of the total movement on earmarked reserves for the period stated was provided at Appendix 5 to the report.

Members asked a number of questions of the Invitees, following which they left the meeting. These questions related to Home to School Transport, and concerns in respect of this regarding a review of Safe Routes to Schools. Members also asked questions in relation to a Volunteer Driver Service being provided.

In respect of the Social Services and Wellbeing Directorate, Members sought reassurance that the Directorates projected overspend would in time be met, notwithstanding the fact that there was a financial plan in place to secure this overspend.

Finally, Members voiced some concerns regarding the local Health Service's lack of providing adequate financial resources towards the various services provided by Social Services.

These points were responded to by the various Invitees at the meeting, or requested as being followed up as expressed below.

The Committee then offered some comments and conclusions on this item, as mentioned hereunder.

Conclusions:

Chief Executives and Finance

The Committee recommended that Cabinet/CMB undertake a review into achievability of proposed Directorate budget reductions and further recommend that unrealistic offers are removed from the Medium Term Financial Strategy.

Education and Family Support Directorate

The Committee raised concerns relating to over half of the schools in the Borough have deficit budgets and queried the level of school budgeting competencies. Members therefore recommended that financial training for all school governors is made mandatory to ensure effective management and scrutiny of their school budget.

Following discussions in relation to the pending review into appropriateness of catchment areas across the local authority, the Committee recommended that Ward Members are consulted as part of the exercise.

Social Services and Wellbeing Directorate

Members requested that when the subsequent Financial Performance report is presented to Corporate Overview and Scrutiny Committee, the Social Services and Wellbeing Future Service Delivery Plan is also delivered in conjunction with this.

78. COUNCIL'S PERFORMANCE AGAINST ITS COMMITMENTS FOR 2017-18

The Chief Executive submitted a report, that provided the Committee with an overview of the Council's performance in 2017-18, against its 2017-18 commitments to delivering the improvement priorities identified through its Corporate Plan 2016-20, as reviewed for 2017-18.

The report outlined certain background information, following which it then covered the following work areas:-

- Commitments;
- Corporate Performance Indicators
- Corporate Plan Indicators
- National Performance Indicators
- SSWB Performance Measurement Framework Indicators
- Budget
- Budget Reductions

RESOLVED: (1) That the Committee noted the year end performance for 2017-18 against the Corporate Plan.

(2) That Members recommended that only the performance indicators that have not been met, be presented in future such reports.

79. URGENT ITEMS

None.

80. APPROVAL OF MINUTES

RESOLVED: That the Minutes of a meeting of the 18 June 2018, be approved as a true and accurate record.

The meeting closed at 12:48