

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 MONDAY, 15 DECEMBER 2014 AT 2.00 PM

Present

Councillor M Reeves – Chairperson

Councillors
GW Davies MBE
RC Jones
HM Williams

Councillors
E Dodd
JR McCarthy

Councillors
CA Green
CL Reeves

Councillors
EM Hughes
JC Spanswick

Officers:

R Keepins
A Rees

Scrutiny Officer
Senior Democratic Services Officer – Committees

Invitees:

Councillor M Gregory
N Young
R Hemingway

Cabinet Member Resources
Corporate Director - Resources & Section 151 Officer
Head of Finance and ICT

128. APOLOGIES FOR ABSENCE

Apologies for absence were received from the following Members for the reasons so stated:

Councillor G Davies – Personal Commitment
Councillor C L Jones – Family Commitment
Councillor D R W Lewis – Unwell.

129. DECLARATIONS OF INTEREST

None.

130. APPROVAL OF MINUTES

RESOLVED: That the minutes of the Corporate Resources & Improvement Overview and Scrutiny Committee of 6 November 2014 be approved as a true and accurate record.

131. DRAFT BUDGET CONSULTATION PROCESS

The Scrutiny Officer introduced a report, the purpose of which was to provide the Draft Cabinet Budget proposals for 2015/16.

The Scrutiny Officer informed the Committee of the public consultation process undertaken on the budget review and that a budget workshop had been held for Members using a budget simulator. A series of comments had been developed on the budget proposals by the Standing BREP.

The Committee asked whether the public consultation had been helpful to officers in the budget setting process. The Corporate Director Resources informed the Committee that the budget consultation process had involved a great deal of work and that the response by the public had been disappointing. She stressed the importance of getting the public

to participate in the budget consultation process; however the responses received from the public were helpful with such things as support for charging householders for black bags and pest control services. The Corporate Director Resources explained that the budget consultation process had been publicised through the Council's Facebook and Twitter accounts and a radio campaign over a 4 week period. She stated that the feasibility of emailing residents to inform of next year's budget consultation process could be explored. The Cabinet Member Resources informed the Committee there had been public support for the introduction of charging for car parking for people with blue badges. The Corporate Director Resources informed the Committee that consultation on the budget proposals would take place with the Citizens Panel in January.

The Committee questioned whether Councils shared best practice with each other on the budget setting consultation process. The Corporate Director Resources informed the Committee that best practice on the budget setting process was shared amongst the Society of Welsh Treasurers. She stated that the Council was the only one in Wales to have used an online budget simulator as part of the budget consultation process.

The Committee referred to the 14 MTFS principles and questioned officers on what it considered to be sufficient resources to be made available to deliver the Bridgend Change Programme. The Corporate Director Resources informed the Committee that as and when budget proposals are developed an allocation would be made to the Bridgend Change Programme which would be subject to Council approval as part of the budget setting process. She stated there is a separate earmarked reserve for the Change Programme to cover redundancy and to engage external consultants.

The Committee requested further detail on the reason for the additional £360k required to address existing problems which had emerged during the refurbishment of the Civic Offices and to meet essential safety requirements on Level 1. The Corporate Director Resources informed the Committee that in order to satisfy health and safety provision there was a need to install panic alarms and to provide interview rooms on Level 1. The Committee expressed concern at the possibility of an overspend on the MST project akin to the Porthcawl Harbour project. The Corporate Director Resources advised the Committee that while there had been an over spend on the Porthcawl Harbour project, the MST project had not because Council approval had been obtained for additional budget before the additional costs had been incurred. In response from a question from the Committee, the Corporate Director Resources stated that she would confirm the impact of the Maximising Space and Technology programme on the Evergreen Hall.

The Committee questioned whether £11m of capital receipts from the sale of school sites for match funding the 21st century schools programme was achievable. The Corporate Director Resources confirmed it was planned to raise £11m of capital receipts to match fund the 21st century schools programme and that the majority of capital receipts were planned to take place in 2016-17 and 2017-18. The Committee questioned whether all surplus school sites had been identified. The Cabinet Member Resources confirmed that all surplus school sites had been identified and that when the new school had been developed the Council would have 2 surplus school sites to be disposed of. The Corporate Director Resources informed the Committee that she would provide the Committee with a list of surplus school sites. The Committee questioned whether the Welsh Government funding for Prudential Borrowing would be available to the Council towards the 21st century schools programme under the Local Government Borrowing Initiative irrespective of which Council BCBC merged with. The Corporate Director Resources informed the Committee that funding would be available to the Council for the 21st century schools programme once it had signed off by the Welsh Government.

The Committee questioned the recurring budget pressure and loss of rent of £100k to the Council following the vacation of the Bryncethin accommodation by V2C. The Corporate Director Resources explained that the loss arose because V2C had vacated Bryncethin and the accommodation was not suitable for commercial letting.

The Committee requested an update on progress on the status of the cash collection and cash payment contracts and the re-negotiation of the banking contract. The Head of Finance and ICT informed the Committee that the banking contract was progressing with Barclays Bank who had been appointed following a competitive tender process. He stated that negotiations were continuing on the terms and conditions proposed by the supplier for the cash collection and cash payment service.

The Committee requested detail on the terms of the renegotiation of the Council's contribution to the Vale of Glamorgan Council for the Internal Audit service. The Corporate Director Resources informed the Committee that a £20k reduction had been agreed with the Vale of Glamorgan Council for the delivery of the Internal Audit service. There was the possibility of further collaboration by the Internal Audit service with other local authorities. The Committee requested clarification of the budget of £403k for the Internal Audit service. The Corporate Director Resources informed the Committee that the sum of £403k represented this Council's contribution to the Internal Audit service which was predicated on the number of hours agreed in the Business Plan.

The Committee referred to the review of the cleaning service which had won awards and questioned the reasons for the 82% reduction in budget. The Corporate Director Resources informed that the change in budget was misleading as it did not recognise the income generated by the service. She explained that the reduction would be delivered through a reduction in schools cleaning and the re-structuring of cleaning of staff.

The Committee questioned the reasons for some savings being achieved in the proposed CCTV collaboration with the Vale of Glamorgan. The Corporate Director Resources informed the Committee that savings of £60k were anticipated from the CCTV collaboration. She stated that the performance of the Telephone Contact Centre is strong despite sickness levels.

The Committee questioned the 10% reduction in budget to the voluntary sector and whether an assessment on the impact of the voluntary sector had been undertaken. The Corporate Director Resources informed the Committee those proposals for budget reductions had been developed and agreed by a project board comprising officers across the council as well as BAVO and Citizens Advice Bureau who represented the third sector. All services commissioned by the Council to the third sector had been reviewed where there is a service level agreement and contract in place. She stated that alongside the proposed reductions the Council was seeking to develop a more strategic approach to commissioning services from the third sector.

The Committee questioned the reason for some of the boxes in the savings proposals being blacked out. The Corporate Director Resources advised that they simply reflected that there was no individual budget associated with that budget reduction proposal and she gave the EDRM project as an example. She stated that the Council planned additional borrowing in relation to the use of prudential borrowing to finance minor capital works. The Corporate Director Resources undertook to provide the Committee with further information on the cost of rationalisation project management across the Council, which was complicated by the fact that it was held in different Departments. The Corporate Director Resources informed the Committee that there was no separate

schools budget for carbon reduction and that it had been delegated to schools to meet the requirement.

Conclusions

Additional Information

Members requested that they receive:

Further detail relating to £360,000 additional funding that has been required for the refurbishment of the Civic Offices.

A list of school and other sites, and their associated plans that are scheduled to be sold to partially match fund the School Modernisation Programme.

Comments

a) Members questioned the black boxes within the Proposals in Appendix B and asked that where possible the budget be identified, and if not, a reason be provided as to why this is the case.

b) Members expressed concerns over the reduction of funding to the voluntary sector and requested that they receive early sight of any Equality Impact Assessments carried out in relation to this reduction.

c) Members expressed concerns over the current underspend within the Legal and Regulatory Services (LARS) Directorate. The Committee commented that the underspend appeared disproportionate in relation to other directorates and that there appeared to be a significant amount of reliance from other directorates on this underspend in order for the overall Council's budget to balance for the year. The Committee further questioned whether the cuts within LARS were going too far, too soon and could affect minimum standards to clients.

d) Members felt that the Council's policy regarding carrying over budgets seemed unfair in that if directorates had an overspend, it was their responsibility and they had to carry it over to the following year, whereas if they had a fortuitous underspend, it was absorbed by the Corporate Centre.

e) Given the increased budget needed for the Civic Offices refurbishment this year, Members felt that the wording of the MTFs Principle 12: '*Sufficient resources are made available to deliver the Bridgend Change Programme*', was too open and implied a commitment regardless of cost implications. The Committee proposed that this be revised to read something similar to:

"Resources are allocated to deliver the Bridgend Change Programme based on clear strategic plans that are kept under review to maintain alignment with the MTFs."

Or

"Corporate Directors will budget accordingly in order to allocate suitable resources towards delivering the Bridgend Change Programme".

MTFS Consultation

- f) The Committee recognised and praised the efforts that had been put in to the six week consultation on the MTFS and understood the disappointment of Officers in relation to the small number of respondents.
- g) Members generally supported any improvements and investigation of best practice that were being looked into to encourage a greater engagement next year, such as emailing constituents.
- h) The Committee also suggested that an earlier start to this process might be better and also to avoid half term.
- i) Finally, Members commented that the budget simulator was not compatible with tablets and thus asked that this be fixed for any future engagement process.

132. COUNCIL'S PERFORMANCE AGAINST IT'S CORPORATE PLAN 2013-17

The Scrutiny Officer introduced a report which informed the Committee of the Resources Directorate Dashboard report which gave an overview of the Council's progress in delivering its commitments for 2014-15 and covered performance of services relevant to the Committee at the end of Quarter 2.

The Corporate Director Resources reported that the net revenue budget for the Directorate for 2014-15 is £16.622m and due to a change in CIPFA guidance where £325k of spend previously charged to the capital programme was no longer deemed eligible to spend had generated a net overspend for the Directorate. She stated that the net capital budget for the Resources Directorate for 2014/15 is £4.641m, with no slippage / underspends planned at this stage.

The Corporate Director Resources informed the Committee that of the nine performance indicators for the Directorate, four were green in status and 5 were shown as amber in status as at Quarter 2. She stated that the amount of sickness absence in the Directorate had improved slightly however there was concern over long term sickness which accounted for 805 of sickness and which was being managed actively by officers.

The Corporate Director Resources informed the Committee that Job Evaluation appeals continued to cause a pressure being time consuming and it was planned to have the appeals completed by the end of March 2015.

The Corporate Director Resources also informed the Committee of the high corporate risks which affect the Directorate namely, welfare reform; using resources effectively and equal pay claims.

The Committee questioned whether the status for performance indicator P6.2.2 should be green in status when refurbishment works to the Civic Offices had overspent requiring an additional £360k to be allocated to the budget. The Corporate Director Resources informed the Committee that from an efficiency process this performance indicator should remain as green in status as it measured progress against the business plan and did not relate to the budget for the scheme.

In response from a question from the Committee, the Corporate Director Resources stated that she would provide further detail on the sickness absence information as the figures presented per full time equivalent were not accurate.

Conclusion

The Committee continued to query the Green statuses for the Actions relating to the refurbishment of the Civic Offices under Improvement Priority Six given that an extra £360,000 has been required for this project. Members acknowledged that these statuses specifically referred to performance against the Business Plan, and therefore did not refer to the budget behind them. Members concluded that further information on the Capital Programme and Capital Budget was required within these performance reports in order that the full picture of progress and performance is presented and understood.

Additional Information

Members requested that they receive further detail in relation to the Additional Sickness Absence Information as the Committee were not clear how the figures presented in the report were calculated.

133. QUARTERLY BUDGET MONITORING

The Scrutiny Officer outlined the role of the Committee in relation to its consideration of monitoring financial performance.

The Committee questioned the projected underspend of £21k in Directorate budgets and whether the underspend of £429k in Legal and Regulatory Services would go into the corporate budget. The Corporate Director Resources informed the Committee that at the end of the financial year that neither underspends nor overspends were carried forward. She stated that the underspend in Legal and Regulatory Services was not planned. A case for the use of an underspend would need to be considered by the Corporate Management Board. The Committee considered that the underspend in Legal and Regulatory Services was similar to the underspend in the last year and whether the budget pressure put forward last year for possible litigation challenges as a result of the Public Law Outline had been utilised or whether it formed part of the underspend for LARS.

The Committee referred to the overspend in the Looked After Children budget and questioned whether the budget was sufficient when Looked After Children numbers had decreased. The Corporate Director Resources commented that the number Looked After Children had reduced and that adoption numbers had increased which would be the better outcome for the child and it would also reduce the costs to the Council if they remained looked after.

The Committee expressed concern and questioned the cost of using agency staff in Commissioning and Social Work. The Corporate Director Resources informed the Committee that she would provide the Committee with the cost of employing agency staff in social work. She stated that HR and the Children's Directorate were working to find a solution to avoid the use of agency staff in social work.

The Committee asked whether there is a plan to avoid an overspend in Learning Disabilities Homecare. The Corporate Director Resources informed the Committee the overspend in this service would be offset by underspends elsewhere in the Wellbeing Directorate.

The Committee questioned the savings proposal to review funding for the dementia liaison service. The Corporate Director Resources informed the Committee that the

savings proposal related to providing the service differently and in partnership with others.

The Committee questioned whether steps were being taken in respect of the savings proposals ASC17, ASC18 and COM1 which were shown as red. The Corporate Director Resources informed the Committee that proposal ASC17 was being resolved, COM1 was being procured and she would enquire as to the status of proposal ASC18 which would result in a saving of £100k through the better use of resources.

Conclusion

Referral to Children and Young People Overview and Scrutiny Committee

The Committee welcomed the increase in the number of adoptions, recognising that this supports the objective of providing children with stability and a permanent placement. This also reduces long term costs should these children have remained a Looked After Child. However, given the fact that this increase in adoptions means that Child and Family Services are already £190,000 overspend at the end of Quarter 2, Members queried whether the budget pressure of £54,000 identified for next year's budget is sufficient. The Committee requested that the CYP Scrutiny Committee examine this further to determine whether the budget set for Adoptions is correct and sufficient to meet the increasing demand.

The Committee expressed concern over the use and associated overspend on Agency staff within the Children's Directorate. Members requested that CYP Scrutiny Committee examine this further to determine what is being done to reduce the amount of Social Worker Agency staff.

Despite reassurances from Officers that the end of year budget would balance, Members expressed concerns given the fact that three out of the five directorates are projecting an overspend at year end and therefore placing all reliance on the LARS underspend in order to break even.

Additional Information

Members requested that they receive detail as to whether the budget pressure put forward last year of £220,000 for possible litigation challenges as a result of the Public Law Outline has been utilised or whether this forms part of the underspend for LARS.

The Committee requested that they receive further information on what the Dementia Liaison Service is, (identified in Appendix B, ASC8), with the view to possibly referring the subject to the Health and Wellbeing Overview and Scrutiny Committee.

134. **FORWARD WORK PROGRAMME UPDATE**

The Scrutiny Officer presented a report which detailed the items to be considered at the meeting on 19 January 2015 and sought confirmation of the information required for the meeting of the Committee on 26 February 2015.

Conclusion: The Committee noted the topics due to be considered at the meetings of 19 January and 26 February 2015.

135. **URGENT ITEMS**

There were no urgent items of business.

The meeting closed at 4.29 pm