

MINUTES OF A MEETING OF THE CORPORATE RESOURCES & IMPROVEMENT OVERVIEW & SCRUTINY COMMITTEE HELD IN COMMITTEE ROOMS 1/2/3, CIVIC OFFICES ANGEL STREET BRIDGEND CF31 4WB ON WEDNESDAY, 24 JUNE 2015 AT 2.00 PM

Present

Councillor M Reeves (Chair)

Councillors:

G Davies
GW Davies MBE
E Dodd
CA Green
EM Hughes
DRW Lewis
JR McCarthy
JC Spanswick
G Thomas

Officers:

Rachel Keepins	Scrutiny Officer
Andrew Rees	Senior Democratic Services Officer - Committees

Invitees:

Cllr M Gregory	Cabinet Member Resources
Cllr N Clarke	Chairperson Partnerships & Governance OSC Committee
Cllr P Foley	Chairperson Children & Young People OSC Committee
Darren Mepham	Chief Executive
Ness Young	Corporate Director Resources
Mark Shephard	Corporate Director Communities
Andrew Jolley	Assistant Chief Executive Legal & Regulatory Services
Susan Roberts	Group Manager School Improvement

152. APOLOGIES FOR ABSENCE

Apologies for absence were received from the following Member / Officers for the reasons so stated:

Councillor C Reeves – Work commitment
Susan Cooper – Corporate Director Social Services & Wellbeing
Deborah McMillan – Corporate Director Education & Transformation.

153. DECLARATIONS OF INTEREST

None.

154. APPROVAL OF MINUTES

RESOLVED: That the minutes of the Corporate Resources & Improvement Overview and Scrutiny Committee of 23 April 2015 were approved

as a true and accurate record subject to the inclusion of Councillor J C Spanswick in the list of Members present.

155. FINANCIAL PERFORMANCE 2014-15

The Committee received a report on the Council's financial performance as at 31 March 2015 which showed a net under spend of £1.796m on Directorate budgets and a net under spend of £2.991m on corporate budgets. The under spend on Directorate budgets was attributed to the maximisation of grant and other income, strict vacancy and sickness management, increased productivity on trading accounts and savings resulting from improved systems and processes. The under spend masked underlying budget pressures in some service areas of Looked After Children and Adult Social Care.

The Committee requested clarification of the sum of £2.829m which had been drawn down from approved earmarked reserves to meet specific one off pressures. The Corporate Director Resources stated that she would provide the Committee with the detail of that which had been drawn down from earmarked reserves.

The Committee questioned the reasons for the projected under spend of £1.8m compared to the projected under spend at Quarter 3. The Corporate Director Resources informed the Committee that there was usually a great deal of movement in expenditure at Quarter 3 due to the Welsh Government releasing grant monies in this quarter, a greater number of charges being made and the costs of re-structures and vacancy management.

The Committee questioned the apparent contradiction in the report which referred to the financial pressures in the service areas of Looked After Children which contrasted with the statement made in the report that higher numbers of children had been placed for adoption, with 24 placements having being made. The Corporate Director Resources informed the Committee that the report should have greater consistency in describing the budget pressures. She confirmed that there is an over spend in Learning Disabilities Home Care which had contributed to the over spend. The Committee questioned whether the budget for Looked After Children was initially underfunded which would have avoided the need to draw down from earmarked reserves. The Corporate Director Resources informed the Committee that earmarked reserves were used for one off items of expenditure. She stated that Looked After Children numbers showed a downward trajectory compared to the previous year, the numbers were 17 more than the target of 373, which attributed to the over spend. The Corporate Director Resources informed the Committee that additional provision had been made to the Looked After Children budget, budgets were constantly being reviewed and that budgets were set on forecasts. She informed the Committee that Directorates were required to make requests for the use of earmarked reserves in line with the Council's Financial Procedure Rules, and this could relate to planned under spends or fortuitous underspends.

The Committee referred to the budget reduction proposal of £100k on the Anaerobic Digestion Facility questioned whether it should be a corporate responsibility given the stringent budget cuts which had already been placed on the Communities Directorate. The Chief Executive informed the Committee that the budget reduction proposal would still have to be made irrespective of the budget was held. The Corporate Director Resources informed the Committee that this budget pressure had been absorbed by the Communities Directorate.

The Committee questioned the reasons for the over spend of £567k on Looked After Children and the pressures on earmarked reserves. The Corporate Director Resources informed the Committee of the reasons for the variations which were outlined in the

report and she stated that she would provide the Committee with detail on the earmarked reserves. The Committee questioned whether there was a downward trend in the number of Looked After Children in the authority. The Chief Executive informed the Committee that there is an underlying downward trend in the number of Looked After Children, however the numbers did vary on a daily basis. The Committee questioned the reason for the over spend of £567k on Looked After Children when the numbers were 22 less children than as at 31 March 2014. The Corporate Director Resources informed the Committee that the budget had been set for the year based on a number of 373 Looked After Children. She stated that the Looked After Children Placements and Permanency Strategy which is in place was contributing to reducing the numbers of Looked After Children. The Chief Executive informed the Committee of the difficulties in predicting numbers of Looked After Children and costs to their needs. The Committee considered the issue of Looked After Children should be a corporate issue if expenditure could not be controlled. The Corporate Director Resources informed the Committee that the over spend of this budget was attributable to placements of adopted children. The Chief Executive informed the Committee that there a number of categories for Looked After Children and children could move into different interventions over the course of time. The Corporate Director Resources informed the Committee that the report showed how the authority was performing against the budget, which in the case of adoptions was set at 15 placements being made, however the authority was successful in making 24 placements. The Committee questioned whether the £567k over spend in Looked After Children was attributable to placements being made in the private sector than in house. The Corporate Director Resources undertook to provide a breakdown of fostering costs paid by the authority.

The Committee requested clarification of the under spend of £432k in the Catering Service, which was attributable to a higher number of trading days arising from the lack of inclement weather and its impact on school opening days. The Corporate Director Resources informed the Committee that she would provide the Committee with the detail of the under spend.

The Committee questioned the impact on the 20 schools holding balances in excess of the statutory limits. The Corporate Director Resources informed the Committee of the protocol in existence for managing surplus school balances which was analysed by the Corporate Director Education and Transformation. Schools holding balances may be doing so for planned capital schemes, however the funding could be brought back into the authority in the case of schools not having any firm plans for the use of their balances.

In response to a question from the Committee, the Corporate Director Communities stated that he would arrange for the Committee to be provided with details on the under spend on sports centres and swimming pools.

The Committee questioned the need for external expert advice to be sought on some major planning applications. The Corporate Director Communities informed the Committee as the Planning Department had shrunk in size; there had been a need to seek external expert advice when specialist planning applications are received. He stated that a balance needed to be struck between employing an officer with on costs against engaging expert advice as and when the need arose. He informed the Committee that the authority was moving towards collaboration with neighbouring planning authorities who employ specialist officers, e.g. Minerals Officers.

The Committee questioned how the repayment of prudential borrowing of £225k which had contributed to the over spend of £278k was not factored in. The Corporate Director Resources informed the Committee that opportunities had been identified by paying off

prudential borrowing which would in turn generate savings. The Corporate Director Communities informed the Committee that the Directorate had adopted a strict stance on vacancy management and incurring expenditure.

The Committee questioned the progress made in relation to staff and Member parking. The Corporate Director Communities informed the Committee that a view had been taken at the time of implementing Job Evaluation to delay the review of staff and Member parking; however this issue would be revisited, which would feed into the MTFS.

The Committee questioned whether the over spend of £187k on waste disposal was attributable to households putting a large number of black bags at the kerb side for collection and also food waste not being placed in the correct receptacle resulting in black bags being torn and increased collection / cleaning costs. The Corporate Director Communities informed the Committee that householders are made aware of the need to sort their waste for recycling and as to the number of black bags that they can put out on the kerb side for collection. He stated that the Council would be embarking on a further procurement of waste collection to commence in 2017 and there would be a need to agree a methodology for collection and enforcement with new contractor. In response to a question from the Committee, the Corporate Director Communities informed the Committee that he would provide a breakdown of the costs of assisted collections. He stated that negotiations on disposal arrangements with NPT Council had been concluded with bids expected in September 2015.

The Committee questioned the reasons for the over spend on street lighting and whether streets were lit on a part time basis to save on energy costs. The Corporate Director Communities informed the Committee that it was proposed to light streets on a part time basis. He stated that 20% of the network was now operated by LED units and that £1.6m was spent annually on street lighting and operating the network on a part time basis may need to be looked at in the context of an invest to save proposal and risk.

The Committee questioned the reasons for the under spend of £743k in Legal and Regulatory Services. The Assistant Chief Executive Legal and Regulatory Services informed the Committee the under spend in his Directorate was attributed to strict vacancy management and cuts due to redundancies and the re-structure of the Directorate. The Committee also questioned the status of the collaboration of regulatory services. The Assistant Chief Executive Legal and Regulatory Services informed the Committee that the collaboration is up and running and the service is being monitored. He stated that the Joint Committee had no concerns regarding the quality of service being delivered. He informed the Committee the service was still being delivered locally from Bridgend and would continue to be so, with staff based in the Civic Offices and Raven's Court.

The Committee questioned the reasons for the over spend of £110k following the re-location of Legal Services to the Innovation Centre and requested a breakdown of expenditure to date of the Maximising Space and Technology project. The Corporate Director Resources informed the Committee she would provide a breakdown of expenditure of the Maximising Space and Technology project. She stated that the over spend of £110k relating to the re-location of Legal Services to the Innovation Centre was income the Council would have otherwise had.

The Committee requested an update on the costs of the Depot Rationalisation project which is a major project and that the slippage of £1.6m needs to be looked at corporately. The Corporate Director Resources informed the Committee that the

corporate project relates to the Parc Afon Ewenni scheme which is in the capital programme and that are contingencies in the project.

The Committee requested clarification of the term 'Equalisation of Spend' earmarked reserves. The Corporate Director Resources informed the Committee that the term relates to items which occurred periodically such as the funding of local government elections and the Local Development Plan, where the authority did not want to tie up resources each year.

In response to a question from the Committee, the Corporate Director Resources stated that she was confident the Council had sufficient resources and was able to cover off risks. She stated that the Council would be faced in the future with incurring significant costs arising from re-structuring.

Conclusions

Following their discussions with Officers, the Committee made the following conclusions and requests for further information:

1. Members expressed concern over the proposal to make further savings in the Communities Directorate from the Anaerobic Digestion Facility. Considering the significant importance of this facility and its budget, Members felt it should be considered as a corporate priority. Likewise, concerns were expressed over the LAC budget in that it appears to be uncontrollable and therefore needs focused attention. In light of this, the Committee requested that they receive a clear rationale in their next Budget Monitoring report explaining what items and areas come under the corporate budget, with the view to including both these areas corporately.
2. The Committee expressed concerns over the shortfall on staff car parking income and requested that both staff and Member car parking be dealt with as soon as possible to resolve the current situation.
3. The Committee agreed to continue to monitor the following areas as part of future budget monitoring:
 - a. Risk on the demand for B&B accommodation resulting from the impact of the Housing Reform;
 - b. Schools Surplus Budgets and ensuring that suitable action is being taken to examine and monitor these budgets and where necessary claw back these funds. Members asked that further information on this be incorporated into future budget monitoring reports.
4. The Committee discussed the Scrutiny Budget Monitoring process and asked that this be reviewed to consider the methods by which Chairs and Corporate Directors attend, given that their roles for this item are very different. Members also requested that consideration be given to the possibility of all Cabinet Members attending the Committee for some or all budget monitoring and performance items, similar to their Corporate Director Counterparts.

Additional Information

1. Further information of the £2.829 million from earmarked reserves required for 'one-off pressures'.

2. Further detail relating to the 49% variance in Catering Services which supposedly relates to a 'lack of inclement weather'.
3. Further breakdown of the £567,000 overspend for LAC.
4. Current breakdown of In-House and Out of Authority Foster placements.
5. Complete breakdown of costs relating to the Maximising Space project.
6. Members questioned where the underspend of £57,000 as a result of savings realised in relation to the HALO partnership arrangement and asked that they receive further detail over what happens with any underspends from HALO.

156. **FORWARD WORK PROGRAMME 2015-16**

The Scrutiny Officer presented a report outlining the suggested topics for consideration in the development of the Committee's Forward Work Programme for 2015-16. An outline Forward Work Programme had been developed utilising a list of suggested criteria such as Initial Reasons, Risk, Performance Measures, Community Perception, Budget and external factors for the identification of topics for investigation.

The Committee expressed concern over the slippage reported for the Depot Rationalisation and queried whether they could add it to their forward work programme. It was agreed that the Scrutiny Officer would clarify whether this item was already incorporated into the FWP for the CEL Overview and Scrutiny Committee and if so, ensure that the Committees' concerns were passed on and raised.

The Committee discussed and agreed their Annual Forward Work Programme and agreed that Joint Scrutiny Topics be considered at the Scrutiny Chairs meeting where they could be looked at as a whole picture for prioritisation.

Conclusion

The Committee considered the suggested topics for inclusion in the Forward Work Programme for 2015-16 and the 12 primary topics for inclusion in the programme. The Committee requested the Scrutiny Officer confirm which Directorate had responsibility for the Depot Rationalisation project in order to determine which Overview and Scrutiny Committee would scrutinise the project.

157. **CORPORATE PARENTING CABINET COMMITTEE CHAMPION UPDATE**

The Scrutiny Officer introduced the report of the Committee's Corporate Parenting Champion, Councillor E Dodd on the work being undertaken by the Corporate Parenting Cabinet - Committee.

Conclusions:

The Committee noted the Corporate Parenting Champion's update and the concerns of the Committee raised under the Financial Performance item in relation to Looked After Children be raised by the Corporate Parenting Champion at meetings of the Corporate Parenting Cabinet - Committee.

158. **CORPORATE PARENTING CHAMPION UPDATE AND BUDGET RESEARCH AND EVALUATION PANEL NOMINATION REPORT**

The Scrutiny Officer submitted a report seeking a nominee from the Committee as its Corporate Parenting Champion as an invitee on meetings of the Cabinet Committee Corporate Parenting and nominations for the Budget Research and Evaluation Panel in line with the recommendations of this Committee made as part of the 2015/16 budget setting process.

- RESOLVED:**
- (1) That Councillor E Dodd be nominated as its Corporate Parenting Champion to represent the Committee at meetings of the Cabinet Committee Corporate Parenting.
 - (2) That the Chairperson of the Corporate Resources & Improvement Overview and Scrutiny Committee and Councillor C Reeves be nominated to represent the Committee on the standing Budget Research and Evaluation Panel.

159. **FORWARD WORK PROGRAMME UPDATE**

The Scrutiny Officer presented a report which detailed the items to be considered at the next meeting of the Committee and sought confirmation of the information and invitees required.

Conclusions:

The Committee noted the items to be considered at its meeting on 22 September 2015 and the invitees to attend to attend the meeting of the Committee on 10 December 2015.

160. **URGENT ITEMS**

There were no urgent items.

The meeting closed at 4.19 pm