

**Minutes of the meeting of the
Corporate Services Overview and Scrutiny Committee
held on 17 September 2015**

Present

Members: Councillor John Appleton
Councillor Nicola Davies
Councillor Neil Dirveiks
Councillor Peter Fowler
Councillor John Holland
Councillor Keith Kondakor
Councillor Phillip Morris-Jones
Councillor Chris Saint
Councillor Matt Western (Chair)

Other Councillors: Alan Cockburn, Deputy Leader and
Jose Compton, Portfolio Holder for Adult
Social Care.

Officers: Elizabeth Abbott, Business Partner – Planning, Performance
and Improvement (Acting)
Sally Baxter, Democratic Services Officer
John Betts, Head of Finance
David Carter, Strategic Director, Resources Group
Tonino Ciuffini, Head of Information Assets
Marcus Herron, Service Manager
Andrew Lovegrove, Head of Corporate Financial Services
Paul Williams, Democratic Services Team Leader.

1. General

(1) Apologies

Councillors Kam Kaur, Chris Saint and Izzi Seccombe.

**(2) Members' Disclosures of Pecuniary and Non-Pecuniary
Interests**

None.

**(3) Minutes of the meeting of the Corporate Services Overview
and Scrutiny Committee held on 15 July 2015**

The Committee agreed that the minutes of the meeting held on
15 July 2015 be signed as a correct record.

The Chair reported on matters arising from the last minutes which included the circulation of briefing notes providing information on Internal Audit, CWLEP update, the NUCKLE programme, and arrangements for pooling business rates with District and Borough Councils.

The committee agreed that Business rates pooling protocol could benefit from elected member input. John Betts, Head of Finance, advised that the government initiated review and new proposal for 2017 was mid-way through the process. More information would be available once it was completed. In response to a concern from a committee member, John Betts advised that an authority would need to inform the Department for Communities and Local Government (DCLG) if they were withdrawing from the pool and the position of neighbouring authorities would be known after October 2015.

The Chair had met with Councillor Phillip Johnson, Chair of Communities Overview and Scrutiny, to raise concerns about the retention of staff in Transport and Highways. A response had been received from the service and it was reported that whilst there was difficulties in competing with private companies to recruit and retain staff, the service believed that they had addressed issues and staff vacancies.

Geoff Taylor provided a written update following committee consideration of the Disposal Protocols and Concessions according to Social Value report and County Farms and Smallholdings Strategy 2015 -2025 reports. The information would be circulated to all committee members.

“Property Disposal Protocols

Community engagement with the Community and Voluntary Sector regarding the draft protocols seeking feedback is underway via Third and Public Sector Partnership Group established by the Localities & Partnerships Team, Communities Group. Feedback has been requested by 25th September. Initial feedback has been received from Paul Tolley, Warwickshire CAVA on 13th August which was supportive of the draft protocols with some suggested to improve clarity.

The draft protocols documents are being redrafted setting out sms for determining rental value at less than best consideration (replacing the ‘options ‘ document in Agenda 3 of the previous report).

It is intended to include a flow chart to set out the process involved for ease to Council staff, members and the community and voluntary sector.

Geoff Taylor (Estates and Smallholdings Service Manager) is scheduled to discuss options for disposal protocols with Cllrs. St. John and Western on 24th September 2015 (after full Council).

The Forward Plan has been updated and the report to Cabinet seeking adoption of the Property Protocols is to be considered on 10th December 2015.

Revised Smallholdings Strategy 2015-25

Proposals to identify capital to reinvest in replacement smallholdings land are being considered with Finance to incorporate in the Strategy.

Amendments to the draft revised strategy will reinforce working with the District and Borough Council's to align strategic development potential on WCC smallholdings with Local Plans.

The Forward Plan has been updated and the report to Cabinet seeking adoption of the revised Smallholdings Strategy is to be considered on 12th November 2015."

2. Public Question Time

There were no public questions received or presented at the meeting.

3. Questions to Cabinet and Portfolio Holders

No questions were asked by the committee on this occasion but they discussed the format of the report and whether it was conducive for full questioning of Cabinet Members. David Carter, Strategic Head, Resources Group, reminded the committee that they could access all reports listed on the Committee Management Information System (CMIS) subject to status of the report and workflow deadlines.

4. Work Programme 2015/16

The Chair referred the committee to the report and appendices which contained the work programme. At the last committee meeting, delegation was given to the Chair and spokes to identify which reports would be considered at outstanding committee meetings which the Chair and spokes had undertaken.

Some reports were still to be scheduled and this would be reviewed to ensure that the committee was receiving timely information.

The date for the first meeting in 2016 had changed, there would be a committee meeting on 21st January 2016 at 2 p.m in CR2, Shire Hall.

The committee meeting scheduled for 25 February 2016 was cancelled.

Resolved:

That the Corporate Services Overview and Scrutiny Committee:

- i) agrees the 2015/16 Work Programme, and;
- ii) notes the scheduled future meeting dates.

5. 2015/16 One Organisational Plan – Quarter 1

Elizabeth Abbott, Business Partner, provided a presentation to complement the report and appendices in relation to Quarter 1 of year 2 of the One Organisational Plan 2015/16.

The overall message from the beginning of the second year within the four year plan was that the organisation was on target to deliver all high level Health Organisation outcomes within agreed tolerances, three of which were specific to the remit of this committee. The Resources group Revenue spend was reporting an under spend of £0.383 million which was within the 2% tolerance for underspend.

Following requests made at the last committee meeting, she informed the committee that reporting arrangements to committees was under review. The Chairs of Overview and Scrutiny Committees would be contacted over the next few weeks to arrange a meeting whereby they can feed into the review process and put forward suggestions. She highlighted the Member Information Dashboard which provided benchmarking, trend analysis of information. Officers were working on remedying issues reported by Members; support using the app would be provided by contacting Elizabeth Abbott.

Elizabeth Abbott explained that detailed information about sickness absence including a comparison from 2001 – 2015 had been considered by the Staff and Pensions Committee. The information would be made available to committee members if requested.

The committee noted that from 2013/14, sickness absence figures did not include School staff therefore the calculation had changed. She reported that the top reason for sickness absence was stress related illnesses; this had been the case for at least the three years with the majority recorded as long-term sickness, and 40% of the workforce had no sickness absence for a two year period. This information would be available to committee members upon request.

In response to a question, Elizabeth Abbott clarified that long-term sickness was defined as being absent for twenty days or more. Service managers worked closely with business managers to manage absence and its' impact.

A discussion ensued about the root causes of sickness absence, in particular those in relation to musculo - skeletal sickness. The committee discussed whether any work was being undertaken to identify which service areas are susceptible to this type of illness. It was acknowledged that the council had a responsibility to ensure all employees had a good working environment.

The Chair thanked Elizabeth Abbott and welcomed the opportunity for members to feed into the reporting arrangements for the One Organisational Plan.

Resolved:

That the Corporate Services Overview and Scrutiny Committee note the report and appendices relevant to its committee in the One Organisational Plan Quarter 1, Year 2, Progress report.

6. Capital Programme Slippage

John Betts, Head of Finance, referred the committee to the report and discussed key headlines. The committee was informed that there was still significant slippage however, some factors attributing to this was outside the control of project managers. He reported that cumulative slippage for 2014/15 quarters 3 and 4 was less than previous years.

In response to a question, he explained that delayed expenditure on planned projects could have positive results; it provided access to short term revenue funds to manage financial pressures and allowed re-evaluation of spending in light of corporate priorities. It was important to reassess the timeframe for borrowing.

The following responses were provided to committee questions:

- Information about the Capital Programme and Revenue, was available on a quarterly basis as part of the One Organisational Plan reporting arrangements which was considered by Cabinet and Overview and Scrutiny committees. Following discussion, it was suggested that habit and mind-set might contribute towards greater consideration of revenue than capital.
- Cash reserves were being used to minimise borrowing.
- It was a legal requirement to plan and allocate resources for projects on the capital programme.

During discussion, it was identified that project management should have a realistic profile of spend and where slippage might occur. This would then provide an opportunity for funds to be re-directed and used

on other projects. John Betts confirmed that a process of identifying ready projects was in operation.

The Chair asked that a schedule of slippage, including thresholds, be provided to the committee. **John Betts to provide.**

Resolved:

That the Corporate Services Overview and Scrutiny Committee notes the report.

7. County Council Borrowing Strategy

John Betts, Head of Finance, introduced the report, outlining the legislative background for borrowing to invest, the relevant criteria any borrowing must satisfy, and the importance of having revenue identified to meet borrowing needs.

All Warwickshire County Council's (WCC) current loan finance was provided by the Public Works Loans Board (PWLB) but there are other options for raising finance such as bond issues.

It was reported that levels of long term borrowing had now levelled off and was reducing due to the realisation of assets such as the sale of land. It was reported that WCC currently had £378 million of long term borrowing.

A discussion ensued about the level of debt and investment. It was noted that Warwickshire had lower levels of debt –than many authorities however, it was also agreed that investment and legacy was important. It was anticipated that the rate of borrowing would increase to provide facilities such as schools, for a growing population.

A member of the committee highlighted that it was reassuring that the loans with interest of 9% plus would be repaid by the end of the 2017/18 financial year. It was suggested that finance should be considered at a cost per person however, this was not considered when calculating ratios.

John Betts explained that factors such as interest rate and redemption need to be considered, in addition to the length of the loan and lifetime of asset, when borrowing.

The committee commented that whilst Council had asked that capital receipts be used to repay loans, it was also important to conserve land banks and capital receipts could be used to reinvest.

Resolved:

That the Corporate Services Overview and Scrutiny Committee notes the report.

8. Client Information Systems – Process Update

Marcus Herron, Service Manager, provided an overview of the procurement and implementation of the system, to date. He highlighted that it was one of the most significant projects Warwickshire County Council had undertaken and it would replace existing legacy systems across Social care, Education, Strategic Commissioning and related support services.

Despite progress made to date, the implementation stage of the project has experienced delays resulting in a revised plan which aimed to deliver Early Help in November 2015 and Adults and Children's Social Care in March 2016 (all three areas were originally planned to be implemented by December 2015).

He highlighted that risks had been identified; business capacity, data migration and integration,

In response to committee questions, Marcus Herron confirmed that the information held by WCC would only be accessible to practitioners. Tonino Ciuffini, Head of I.T, clarified that the data sharing with other public services would not be possible at this stage but are investigating whether it is possible to share information with partnership agencies, including the Health and Wellbeing Board, Police and Multi-Agency Safeguarding Hub (MASH), subject to data sharing agreements and policy.

It was acknowledged that consent would need to be confirmed from service users to share data except that of a child protection nature ie, MASH where statutory procedures will be followed. The committee was informed that the Transitions Task and Finish Group highlighted the lack of sharing data and communication between agencies, and the problems this presented.

In response to questions, Tonino Ciuffini reported that the system was not fully live across the areas, the training providers, Sirena, was working with WCC to develop the material for the Early Help Service. There was not a standard format for the data including shared data. It was identified that this one of the first major projects undertaken therefore lessons learned would inform future projects and developments.

Resolved:

That the Corporate Services Overview and Scrutiny Committee notes the report.

9. Review of Warwickshire County Council's Performance in Bidding for External Resources

John Betts, Head of Finance, introduced the report and referred to the list of bids for external funding submitted during the period of April 2013 to July 2015. In total, 37 bids were submitted with £58.3 million of funding secured. 5 bids were completely unsuccessful with no proportion of requested amount being secured. He reported that on the unsuccessful occasions, the bids were made to over-subscribed funding streams.

The committee noted that there was increasing opportunity to bid for external resources and sought assurance that WCC had a mechanism to ensure that it could compete with other bidding authorities. John Betts acknowledged that this was important particularly when some funding opportunities were available within a very limited period of time which did not give much time to put forward a bid. With regard to transport funding, a team within the transport service, was established to put forward bids.

A discussion ensued about whether the proportion of funding WCC chooses to provide as part of a larger overall bid impacts on the success of those bids. For example, a member of the committee stated that WCC had bid for over 85% of the total costs of the street lighting project and was unsuccessful but Leicestershire County Council applied for only 20% funding for their overall project and were successful. In discussion, the importance of being ambitious was highlighted however, it was important that bids were made taking into consideration viability.

An exception report would assist the evaluation of bidding for funds process to highlight areas where WCC needs to look at, and what action needs to be taken to increase levels of successful bidding.

Resolved:

That the Corporate Services Overview and Scrutiny Committee notes the report.

10. Treasury Management 2015/16

Andrew Lovegrove, Head of Corporate Financial Services, provided an overview of the report including the requirements of the Chartered

Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice on Treasury Management 2009, and the authority's position on investment and performance as of March 2015.

In response to questions from the committee, Andrew Lovegrove confirmed that benchmarks with regard to performance had been surpassed with information contained in the report to support this. He clarified that money being held on a short term basis was a mixture of capital and revenue and that council policy can be changed so as to hold money for longer than 12 months. This would result in exposure to a different type of yield.

Resolved:

That the Corporate Services Overview and Scrutiny Committee notes the report.

11. Urgent Matters

The Chair highlighted that during debate about the recently council approved programme for Business Loans and Grants, Councillor Izzi Secombe suggested that overview and scrutiny investigate the approach of having equity stakes in businesses who receive assistance. This would be discussed at the next Chair and Spokes meeting and reported back to the committee.

12. Date of Next Meeting

The date of the next Corporate Services Overview and Scrutiny Committee was confirmed as 3 December 2015 at 2p.m. in CR2, Shire Hall.

Closed 4.05 p.m.

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Chair