



## **POLICY AND RESOURCES SCRUTINY COMMITTEE**

### **MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON TUESDAY, 13TH NOVEMBER 2012 AT 5.00 P.M.**

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**PRESENT:**

Councillor H.W. David - Chairman  
Councillor Mrs J. Summers - Vice-Chairman

**Councillors:**

D.G. Carter, C.J. Cuss, J.E. Fussell, C. Hawker, Ms. J.G. Jones, G. Kirby, A. Lewis,  
C.P. Mann, S. Morgan, R. Saralis

**Also Present:**

Cabinet Members: Councillors C. Forehead (Human Resources and Governance/Business Manager), D.T. Hardacre (Performance and Asset Management), K. James (Regeneration, Planning and Sustainable Development), D.V. Poole (Community and Leisure Services), K. Reynolds (Corporate Services), T.J. Williams (Highways, Transportation and Planning)

**Together with:**

N. Barnett (Deputy Chief Executive), P.S. Evans (Head of Information, Communications and Technology), G. Hardacre (Head of Human Resources and Organisation Development), C. Jones (Head of Performance and Property), E. Lucas (Head of Procurement), D. Perkins (Head of Legal and Governance), L. Rogers (HR Service Manager), N. Scammell (Head of Corporate Finance), J. Jones (Democratic Services Manager), R.J. Thomas (Committee Services Officer)

#### **APOLOGIES**

Apologies for absence were received from Councillors L. Binding, Mrs. D. Ellis, D. Rees, J. Taylor

#### **CHAIRMAN'S WELCOME**

The Chairman welcomed Councillor Rob Gough who was to address the Scrutiny Committee in regards to agenda item 4(4) Review of Leasing Arrangements - Plaza Café (Cabinet – 16.10.12) and Mr Gary Enright of Unison, to participate in agenda item number 6(2), Review of the Workforce Strategies for Managing the Impacts of the Medium Term Financial Budget Savings.

**1. DECLARATIONS OF INTEREST**

There were no declarations of interest made at the beginning or during the meeting.

**2. MINUTES**

RESOLVED that the minutes of the last meeting held on 2nd October 2012 (minute nos. 1 - 11, on page nos. 1 - 4) be approved as a correct record and signed by the Chairman.

**3. CALL-IN PROCEDURE**

There were no matters referred to the Scrutiny Committee in accordance with the call-in procedure.

**4. CABINET REPORTS**

The Cabinet report listed below was requested to be brought forward for review at the meeting.

**EXEMPT Report: Review of Leasing Arrangements - Plaza Café (Cabinet – 16.10.12)**

The Head of Legal and Governance and the Chairman advised Members that a Public Interest Test had been applied and determined by Cabinet on 16th October 2012, and that the content of the report was to remain exempt. In accordance with this decision, Mr Gary Enright left the meeting room during the discussion on this item.

Councillor C.P. Mann requested that the report be brought forward for review and copies of the report and accompanying Public Interest Test were distributed at the meeting.

Councillor R. Gough addressed the Scrutiny Committee to highlight his concerns regarding the leasing arrangements and officers responded to general questions from the Committee.

It was agreed that a further report be brought before the Scrutiny Committee, should the revised leasing arrangements be infringed.

**5. REPORT OF THE CABINET MEMBER**

Councillor K. Reynolds, Cabinet Member for Corporate Services, gave a verbal report to Members and referred to the Provisional Government Settlement. This gave an average uplift across Wales in 2013/14 of 1.22%, with 1.19% for Caerphilly. The settlement for 2013/14 is less than expected by some £420k, mainly due to a decision by the Minister for Local Government and Communities, Carl Sargeant, to top slice all 22 Councils by £10m for a “collaboration” pot. Many local authorities were concerned regarding this and would be writing to the Minister.

In respect of capital, there is a small increase of £39k for 2013/14, but no indicative figures have been received as yet for 2014/15 and 2015/16. Indications were not encouraging.

The final Local Government Settlement announcement will be on Wednesday, 5th December, and following a period of consultation in January/February, Council will set its budget on Thursday, 28th February 2013.

Councillor Reynolds also commented on a recent announcement regarding the living wage. Further information would be included within a report to Cabinet and future budget reports.

Members thanked the Cabinet Member for his presentation and a general discussion followed.

## REPORTS OF OFFICERS

Consideration was given to the following reports.

### 6. NATIONAL PROCUREMENT SERVICE

The report updated Members on the Welsh Government's proposal for a National Procurement Service (NPS), following the presentation given at the last Scrutiny Committee. Members were advised of the current status of the proposal and sought the Scrutiny Committee's recommendations to Cabinet on the Authority's future involvement in response to the Welsh Government invitation to join.

Members discussed the report and officers responded to general questions. In particular, further clarification was sought regarding the collaborative arrangement, but officers advised that at this stage the structure of the contracts and markets were unknown. It was believed that the Authority could join a commodity area at a later date, but officers considered that some were too high a risk and control would be lost. Additional concerns were raised as to the robustness of the NPS operational model. Officers therefore recommended that the Authority continued with its own procurement strategy for a number of commodities, as detailed within the report.

Members also raised concerns regarding the makeup of the NPS Board and the governance arrangements in place and asked that this be highlighted when responding to the WG.

Following discussion on the content of the report, the Scrutiny Committee recommended to Cabinet that, for the reasons contained within the report:-

- (a) the Authority commits to the development of the NPS.
- (b) the Authority agrees to use NPS contracts for the following commodity areas which equates to approximately 10 – 15% of our spend:
  - Information Communication and Technology
  - Utilities
  - Facilities and Management Services
  - Human Resources
  - Consultancy
  - Healthcare
  - Construction Materials (Outside the Welsh Housing Quality Standard)
  - Furniture and Soft Furnishings
  - Mail Services
  - Clothing
- (c) the Authority continues with its own Procurement Strategy outside of the NPS for the following commodities, which equates to less than 10% of our spend:
  - Vehicle Management
  - Catering
  - Legal Services
  - Construction Material associated with Welsh Housing Quality Standard

- Stationery – as long as the Joint Supplies is in existence
  - Cleaning and Janitorial – as long as the Joint Supplies is in existence
  - Educational Supplies– as long as the Joint Supplies is in existence
- (d) officers review the future of the Welsh Purchasing Consortium and County Borough Supplies and report back to Members with a clear recommendation for future working.
- (e) officers confirm commitment to the NPS by 14th December 2012 for the commodities detailed above in paragraph (b).

## **7. REVIEW OF THE WORKFORCE STRATEGIES FOR MANAGING THE IMPACTS OF THE MEDIUM TERM FINANCIAL BUDGET SAVINGS**

The report informed Members of progress made and considers future options for workforce strategies, following a report to Cabinet dated 30th March 2010. It highlighted that the Medium Term Financial Plan (MTFP) was expected to put pressure on workforce budgets and gave a 'point in time' review of the workforce strategies and measures introduced to address those pressures.

The Head of Human Resources and Organisation Development reviewed the components of the strategies and highlighted action taken and challenges to be overcome for each. In particular, he confirmed officers had started to discuss career succession planning and had successfully reduced levels (and therefore costs) of sickness absence. Legislative amendments to pension enrolment would be a substantial change and the Authority was likely to incur costs as a result. The PDR process needed to be more robust and changes to working practices may lead to more employees working from home. Redundancies were avoided as much as possible and there had been little uptake of early retirements, except in schools. Members were informed 11 employees had been made redundant to date.

In closing, Members were advised that Trade Unions were part of the consultation process and were generally supportive. Measures had been introduced to address the MTFP and to a large extent, these had been successful. Budgets had balanced.

The Chairman thanked the officer for his introduction and welcomed Unison representative, Mr Gary Enright, to address the Committee.

Mr Enright referred to the detailed report and raised concerns in a number of areas. These included: the need for increased communication with staff; trainee retention; greater use of technology; consistency with the use of PDR's; more effective resource/time management; the effects on staff following a 3 year pay freeze; use and cost of agency workers; fair and consistent management of sick leave. In closing his address, Mr Enright highlighted potential issues with the administration of revised pension arrangements.

Members discussed the report in detail and officers responded to questions and clarification requests. In particular the Scrutiny Committee made references to:

- The impact on the budget due to a nil increase in council tax
- Additional workloads and stress management
- The successful redeployment of staff, rather than redundancy
- The cost of agency workers and the need to plan cover more efficiently
- Terms and conditions of agency workers
- Terms and conditions of staff from/in the redeployment pool
- Potential compulsory redundancies

That Scrutiny Committee noted the overarching report and broadly supported the measures that had been implemented to avoid compulsory redundancies and the council's decision not to introduce an organisational retirement age at this time.

The Scrutiny Committee supported further consultations and work with Trade Unions to further progress the strategies and development, particularly in regard to the following areas:

- (i) the need for further progress in the strategic deployment of, and the council's reliance on, agency workers.
- (ii) the importance of the consistent implementation of PDR practice across the council and that senior officers ensure that this takes place through staff development and cultural change.
- (iii) the investigation of further savings through modern working methods such as flexible working, video conference, appropriate use of technology and meeting scheduling to make efficient use of officers' time.
- (iv) where staff have concerns about organisational change, that the consequences for individuals be clearly communicated in order to reduce stress and disseminate the facts.

In closing the agenda item, the Chairman welcomed further reports on these subjects and invited Mr Enright to discuss these topics with the Scrutiny Committee again.

## **8. NOTICE OF MOTION – PUBLIC SECTOR PAY**

The report detailed a Notice of Motion, received by the Head of Legal and Governance from Councillor Gez Kirby.

Councillor Kirby introduced the Notice of Motion, written in response to The Chancellor of the Exchequer's announcement in the 2012 Budget, indicating the Government's desire to introduce 'more market facing' public sector pay. Councillor Kirby indicated his concern that there had been no independent assessment of the impact and consequences that this policy could have for public services or the economies of low pay regions like Caerphilly County Borough.

The Scrutiny Committee considered and supported the Notice of Motion and recommended to Council, for the reasons contained therein, that it resolve to:-

- (a) write to the Chancellor of the Exchequer and Chief Secretary to the Treasury stating the Council's opposition to plans for regional and localised public sector pay;
- (b) write to all local MP's within the next month outlining concerns about the impact that this policy would have on services and the local economy; and
- (c) sign up to the TUC's Pay Fair campaign and raise awareness of the implications and risks of this policy locally, regionally and nationally.

## **9. REQUESTS FOR AN ITEM TO BE INCLUDED ON THE NEXT AVAILABLE AGENDA**

There were no requests for any reports to be prepared for consideration at a future meeting of the Scrutiny Committee.

**10. INFORMATION ITEMS**

The following reports were received and noted without discussion:

- (1) Equalities and Welsh Language Annual Reports;
- (2) Discretionary Rate Relief Applications;
- (3) Discretionary Housing Payments 2011/2012;
- (4) Capital Outturn 2011-2012;
- (5) Summary of Members' Attendance – Quarter 2; 1st July 2012 to 30th September 2012;
- (6) Policy and Resources Scrutiny Committee Forward Work Programme.

The meeting closed at 7.10 p.m.

Approved as a correct record, and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 22nd January 2012, they were signed by the Chairman.

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CHAIRMAN