



POLICY AND RESOURCES SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON TUESDAY, 14TH APRIL 2015 AT 5.30 P.M.

PRESENT:

Councillor S. Morgan - Vice Chair

Councillors:

C.J. Cuss, Miss E. Forehead, C. Hawker, Ms J.G. Jones, G. Kirby, A. Lewis, C.P. Mann, D. Rees, R. Saralis, J. Taylor

Cabinet Members:

Mrs C. Forehead (Cabinet Member for HR and Governance/Business Manager), D.T. Hardacre (Performance and Asset Management), Mrs B. Jones (Corporate Services)

Together with:

N. Scammell (Acting Director of Corporate Services and Section 151 Officer), P. Davy (Head of Programmes), G. Hardacre (Head of Workforce and Organisational Development), S. Harris (Interim Head of Corporate Finance), E. Lucas (Head of Procurement), H. Rees (Programme Manager), P. Cooke (Team Leader), C. Forbes-Thompson (Scrutiny Research Officer) and R. Barrett (Committee Services Officer)

Also present:

Ms. A. Lewis and Mrs S. Jones (Caerphilly Homes Task Group)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors L. Binding, H.W. David, J.E. Fussell, D.M. Gray and Mrs J. Summers, together with Cabinet Member G. Jones.

2. DECLARATIONS OF INTEREST

There were no declarations of interest received at the commencement or during the course of the meeting.

3. MINUTES – 3RD MARCH 2015

RESOLVED that the minutes of the Policy and Resources Scrutiny Committee meeting held on 3rd March 2015 (minute nos. 1 – 13) be approved as a correct record and signed by the Chair.

4. CALL-IN PROCEDURE

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

5. REPORT OF THE CABINET MEMBER

The Scrutiny Committee received reports from Cabinet Members Mrs B. Jones and D.T. Hardacre.

Councillor Mrs B. Jones, Cabinet Member for Corporate Services, presented her report and was pleased to inform Members that the Procurement Team had recently achieved the Outstanding Contribution Award at the Welsh National Procurement Awards 2015. In addition, the Team are still in competition for a further award.

The Information Technology Team are currently involved in a number of projects which are progressing well. These include a package of support technology (such as mobile devices) to WHQS surveyors, and the ongoing PC replacement and email archive programmes. The Cabinet Member also advised of a forthcoming visit from the Office of Government SIRO, which will examine the Authority's Information Governance work on risk management.

Members were informed that the bi-annual Household Survey would be distributed in June 2015. On this occasion it will be issued via Newline to reach as much of the public as possible. There is also an ongoing public consultation at present in regards to the proposed road closures for the forthcoming Velothon in June 2015.

The Cabinet Member explained that all departments within Corporate Services are currently holding meetings to look at achieving potential savings for the financial year 2016/17. Finally, a training session for Members was held in March 2015 regarding Data Protection and Freedom of Information. A second session is to be arranged for September with all Members who have not yet attended the training urged to make every effort to attend.

Members were pleased to note the achievements of the Procurement Team and asked for their congratulations to be placed on record.

Councillor D.T. Hardacre, Cabinet Member for Performance and Asset Management, presented his report and referenced the Authority's proposal to retain the Improvement Objective for "Investment in Council homes to transform lives and communities", a report on which would be presented to the Scrutiny Committee later in the meeting. The Cabinet Member stressed the importance of this Objective in relation to the achievement of the Welsh Quality Housing Standard (WHQS) programme of works.

A query was raised regarding underspends within the WHQS programme and the need for these to be regularly reported to the Caerphilly Homes Task Group and the Policy and Resources Scrutiny Committee. The Vice-Chair advised that this query would be addressed later in the evening when the report on WHQS and Sheltered Housing Complexes was considered by the Committee.

6. CABINET REPORTS

None of the Cabinet reports listed on the agenda had been called forward for discussion at the meeting.

REPORTS OF OFFICERS

Consideration was given to the following reports.

7. IMPROVEMENT OBJECTIVE: INVESTMENT IN COUNCIL HOMES TO TRANSFORM LIVES AND COMMUNITIES

In that representatives from the Caerphilly Homes Task Group were in attendance to address the Committee in relation to the Welsh Housing Quality Standard (WHQS) programme of works, this item (together with the report immediately following on WHQS and Sheltered Housing Complexes) was moved forward on the agenda.

Phil Davy, Head of Programmes, presented the report, which provided Members with the details of the proposed Council Improvement Objective for 2015-2016 relevant to the Policy and Resources Scrutiny Committee and sought the approval of Members on this proposed objective.

Officers advised that Cabinet has undertaken a review of the Council's existing Improvement Objectives and a new set of objectives for 2015/16 (one per scrutiny committee) is in the process of being finalised (as listed in Appendix 2 of the report). For the Policy and Resources Scrutiny Committee, Cabinet has decided to recommend to Council that the current Objective for **Investment in Council homes to transform lives and communities** be maintained. The report outlined the criteria to be considered when selecting an improvement objective, and Officers explained that this Objective was chosen because the WHQS is a corporate priority and there needs to be an acceleration in the pace due to slippage of the programme of works that arose in 2014/15.

Discussion of the report ensued and a query was raised regarding the reporting and monitoring of this Objective. Members were referred to Appendix 1 of the report, which outlined the details of the Objective, the difference that is planned to the quality of council housing, how success will be measured, and the resources available to deliver this Objective. Officers explained that progress reports would be brought forward on a regular basis to the Caerphilly Homes Task Group and the Policy and Resources Scrutiny Committee. Officers advised that the acceleration in the rate of weekly internal/external works completions presented a number of challenges but that there were extensive contractor arrangements to minimise further slippage and that the progress of this completion rate would continue to be monitored and reported.

Following consideration of the report, it was unanimously agreed that the Improvement Objective detailed in the report be supported and that delivery progress of the Objective be monitored by the Policy and Resources Scrutiny Committee.

8. WHQS AND SHELTERED HOUSING COMPLEXES

Phil Davy, Head of Programmes, presented the report, which sought the views of Members on a proposed WHQS programme delivery change relating to the sheltered housing complexes, prior to its presentation to Cabinet for determination.

In addition to its presentation at Scrutiny, the report had also been considered by the Caerphilly Homes Task Group on 2nd April 2015, and two representatives from the Group, Ms Anna Lewis and Mrs Sandra Jones, were invited to the table to report on the deliberations arising from that meeting.

Members were reminded that arising from a number of setbacks, the WHQS programme is under severe pressure to complete by 2020 and subsequently additional measures are under active investigation to expand the capacity to cope with the volume of work. The report therefore advocated an alternative approach to implement the WHQS programme in relation to the sheltered housing complexes.

The report proposed that the management and delivery of the WHQS works on the sheltered schemes be outsourced to a suitable multi-disciplinary consultancy, leaving just the client role in-house. Officers explained that the separate internal and external programmes of works were not considered to be the most appropriate course of action for sheltered housing complexes, and that packaging the sheltered schemes together into a separate programme of work and delivering this independently of the main programme could potentially minimise further slippage of the WHQS programme. This proposal also included an option to include the tenant liaison role in the outsourcing of the WHQS works on the sheltered schemes.

Members were also advised that the WHQS business plan included provision for the conversion of bedsits to flats at two schemes. Three other schemes have since been identified for possible remodelling, and there are concerns about the long-term sustainability of a fourth complex. Officers explained that the remodelling is not a WHQS requirement but that expenditure on WHQS works on the existing schemes could be abortive if it is the intention to remodel the schemes at a future date. The feasibility of conversion/remodelling has yet to be undertaken, and no capital funding has been identified. In addition, due to a borrowing cap on the Housing Revenue Account and increased tender/programme works costs, there are limitations in relation to the budget expenditure available for such works in the period to 2020. In view of these considerations, the report proposed that the six schemes affected be removed from the WHQS programme and addressed after 2020 (with the exception of essential health and safety/emergency works).

Ms Anna Lewis and Mrs Sandra Jones, representatives of the Caerphilly Homes Task Group, were then invited to summarise their deliberations arising from the meeting held on 2nd April 2015 in relation to the report recommendations. Ms Lewis explained that the Task Group considered the recommendations contained in the Officers report and by the majority present, endorsed part of recommendation 9.1 (the outsourcing of the sheltered schemes). However, the Task Group felt that outsourcing the tenant liaison role could affect quality assurance measures and therefore recommended that the option to outsource the role be withdrawn and that the tenant liaison role remains within the Authority.

Mrs Jones outlined the concerns of the Task Group regarding recommendation 9.2 of the report (remove 6 complexes from the WHQS Programme until a decision is made on the long-term future of these properties). She acknowledged the pressures faced by the WHQS programme but raised concerns regarding the effect of the proposed delay on these tenants. Mrs Jones cited a need for a special meeting of the Task Group to discuss this proposal, together with a need for further information (including costings for WHQS/remodelling works, details of previous works carried out at these schemes, occupancy levels and consultation with tenants). Mrs Jones explained to the Committee that with these considerations in mind, and by the majority present, the Task Group had been unable to endorse recommendation 9.2 of the report.

Detailed discussion of the report ensued and concerns were expressed by Members that there was insufficient detailed information within the report in respect of future options for the 6 complexes. Members requested a further report on the future options for the 6 complexes prior to making a decision. Concerns were also raised as to the wellbeing of tenants in the schemes where it was proposed that WHQS works be deferred.

In responding to these comments, Officers reminded Members of the need to deliver the WHQS programme within funding constraints and the importance of ensuring that monies were not unnecessarily spent on works in instances where they may need to be repeated if a remodelling programme were to take place. Members were advised of the importance of recommendation 9.1 of the report, in that there was a pressing need to reduce future slippage of the programme. Officers reiterated that the remodelling works were not a WHQS requirement but that as there was an indication that some of the properties identified would need to be converted or remodelled in future years, it would be prudent to plan for such eventualities. Discussion also took place in regards to the original Savills stock survey of 2008.

Following consideration of the report, and in taking into account the views of Members and the Caerphilly Homes Task Group representatives, it was proposed that recommendation 9.1 of the report be endorsed (subject to an amendment to remove the option to outsource the tenant liaison role). It was moved and seconded that subject to this amendment, the following be referred to Cabinet for consideration. By a show of hands (and in noting there was 1 against), this was agreed by the majority present.

RECOMMENDED to Cabinet that subject to the removal of the option to outsource the tenant liaison role, the sheltered complexes be packaged into a separate programme and the management and delivery be outsourced to a suitable multi-disciplinary consultancy.

Having regard to the comments of Members and the Caerphilly Homes Task Group representatives, it was proposed that consideration of recommendation 9.2 be deferred pending further information from Officers relating to these affected schemes. This was moved and seconded, and by a show of hands, was unanimously agreed. Members were therefore unable to make a recommendation to Cabinet in support of recommendation 9.2 (the removal of 6 complexes from the WHQS Programme until a decision is made on the long-term future of these properties).

RECOMMENDED to Cabinet that consideration of recommendation 9.2 (the removal of 6 complexes from the WHQS Programme until a decision is made on the long-term future of these properties) be deferred pending further information from Officers relating to these affected schemes.

9. “CAERPHILLY DELIVERS” – THE CAERPHILLY LOCAL SERVICE BOARD SINGLE INTEGRATED PLAN

Howard Rees, Programme Manager for Partnership Development and Collaboration Improvement, together with Paul Cooke, Team Leader for Sustainable Development and Living Environment, presented the report, which updated Members on the progress, monitoring and delivery of “Caerphilly Delivers”, the Caerphilly Local Service Board’s Single Integrated Plan.

Members were reminded that in 2012, the Welsh Government published “Shared Purpose - Shared Delivery: Guidance on integrating Partnerships and Plans”, which provided statutory guidance to and required Local Service Boards (LSBs) to rationalise their respective Partnership “landscapes” and produce a Single Integrated Plan (SIP) to discharge statutory planning and delivery obligations. Caerphilly LSB developed and produced “Caerphilly Delivers” – their Single Integrated Plan, which was approved by the LSB and Caerphilly Council in April 2013. In April 2014, the Policy and Resources Scrutiny Committee considered a report which provided an overview of the above and outlined the LSB “Performance and Delivery Framework” being used to monitor the performance and delivery of the Plan.

Officers summarised the Performance and Delivery Framework of the SIP, which was attached at Appendices 1 and 2 to the report. Caerphilly Delivers is co-ordinated/actioned via a Partnership Group (Leads Group), which consists of a designated lead officer for each of the five SIP outcomes, namely; Prosperous Caerphilly, Safer Caerphilly, Learning Caerphilly, Healthier Caerphilly and Greener Caerphilly. The Leads Group (assisted by a Delivery Group) is responsible and accountable to the LSB for the production and delivery of action plans to achieve each priority, which in turn support the achievement of the identified Outcomes. Each Lead Officer submits a highlight/exception report and scorecard for their respective Outcome for consideration, discussion and comment at quarterly LSB meetings. In rotation, a Lead Officer presents their highlight/exception report and scorecard at every LSB meeting.

Members were referred to Appendices 3 and 4 of the report, which outlined the Greener Caerphilly Outcome Quarter 3 2014/15 highlight/exception record and scorecard, and which were recently considered by the Caerphilly LSB at their meeting on 3rd March 2015.

With the aid of a slideshow presentation, Paul Cooke outlined to Members the composition, performance and achievements of the Greener Caerphilly SIP outcome to date. Particular focus was given to the three objectives of the outcome (Improving Local Environment Quality, Mitigating and Adapting to Climate Change, and Environment for Health) and the progress made against each of these objectives. Examples of this progress included the Healthy Rivers Partnership between Caerphilly Council and other agencies, which had seen a number of positive outcomes, including improvements to the ecological status of the Sirhowy River. Progress was also made regarding climate change with the installation of solar-powered systems within a number of schools in the county borough, together with progress against the Environment for Health objective via the launch of a Go Green For Health campaign in February 2015. Officers outlined the key issues and financial pressures facing the Greener Caerphilly Outcome, together with plans for future collaboration.

The Officers were thanked for their presentation and discussion of the report ensued. Reference was made to Appendix 3 of the report, which identified a number of priority actions to improve the Greener Caerphilly objectives. Members sought further information as to whether changes introduced at civic amenity sites had led to an increase in fly-tipping, and requested that future reports include the amount of recorded fly-tipping incidents (in addition to the percentage already reported) in the county borough. Members also commented on the new waste permit procedure in operation at civic amenity sites and relayed the concerns of a local resident regarding the allocation and use of permit time slots. Officers confirmed that they would make enquiries in regards to these matters and report back to Members.

Reference was made to the priority which addressed the causes and effects of climate change and Members commented that the average ecological footprint of local residents appeared to have remained unchanged over the last four years. Officers explained that this data was provided by WG, and had not been updated since its original measurement. Discussion also took place regarding the impact of funding pressures on the Greener Caerphilly Objectives.

Following consideration of the report, Members were pleased to note the progress, monitoring and delivery of the Single Integrated Plan and the performance of the Green Caerphilly outcome, and were in agreement on its success to date. Members requested that the Prosperous Caerphilly outcome be brought forward for discussion at the next update of the Single Integrated Plan.

10. NATIONAL PROCUREMENT SERVICE FOR WALES PROGRESS REPORT

Liz Lucas, Head of Procurement, presented the report, which advised Members of the progress made with the National Procurement Service (NPS) for Wales and sought their views on the Authority's future working arrangements with the NPS, prior to presentation of the report to Cabinet for determination.

Members were reminded of Cabinet's decision in 2012 to join the National Procurement Service for Wales in a number of key commodity areas, which were outlined in paragraph 4.1 of the report. At the time it was decided to 'opt out'/ continue with the Authority's own Procurement Strategy in the remaining areas (outlined in paragraph 4.2 of the report), which has resulted in a greater level of flexibility in the Authority's procurement processes. Officers explained that as the NPS function continues to develop and key contracts and frameworks are delivered, it may be beneficial for the Authority to 'opt in' to arrangements in which they originally decided not to participate. This includes Legal Services, which is currently being tendered by the NPS.

The report also proposed that Cabinet gives delegated authority to the Head of Procurement, to opt into such arrangements when able to demonstrate value for money for the Authority. All decisions would be supported by an internal business case and agreed with the appropriate Head of Service. The same flexibility would be required in relation to 'opt outs'.

Discussion of the report ensued and Members sought reassurances in regards to the proposal to 'opt in' to the Legal Services Category Area. Officers confirmed that this arrangement should provide value for money and benefit the Authority as it is being tendered on behalf of the Welsh Public Sector. Members were assured that all eventualities had been examined prior to preparing this proposal. Officers also responded to general queries relating to the delegated authority proposal and the comparative value of the NPS to the outgoing Welsh Purchasing Consortium.

Following consideration of the report, it was moved and seconded that the following recommendations be referred to Cabinet for consideration. By a show of hands (and in noting there were 2 abstentions), this was agreed by the majority present.

RECOMMENDED to Cabinet that:-

- (i) the Authority remains opted out of the commodity areas outlined in paragraph 4.2 of the report (Vehicle Management, Catering, Legal Services, Construction Materials associated with WHQS, Stationary and Educational Supplies) until such time that Officers can demonstrate best value to opting in;
- (ii) the Authority takes forward the opportunity to opt in to the Legal Services framework currently being developed by the NPS;
- (iii) the decision to opt in and or out of commodity areas in the future be delegated to the relevant member of the Corporate Management Team for the service area and Head of Procurement in consultation with the Cabinet Member for Corporate Services.

11. DRAFT SHARED PARENTAL LEAVE POLICY

Gareth Hardacre, Head of Workforce and Organisational Development, presented the report, which sought the views of Members on the introduction of a Shared Leave Parental Leave Policy, prior to its presentation to Cabinet for determination.

The report outlined a new Shared Parental Leave Policy, in line with new legislation introduced in England and Wales on 1st December 2014, to allow employees leave to care for a child after birth or placed for adoption in the first year following the birth or adoption. Officers explained that shared parental leave is a statutory right for all children due to be born or placed for adoption on or after 5th April 2015. The draft policy (attached at Appendix 1 to the report) outlined the arrangements and notification requirements before a period of Shared Parental Leave (SPL) and the entitlement to pay during the SPL period.

Members were advised that consideration had been given to whether the Authority should adopt a statutory or enhanced Occupational Shared Parental Pay Scheme and whether the Council's Maternity Pay Policy should be reduced. It was explained that such arrangements could be cost-prohibitive and may not be compatible with the Council's People Management Strategy in recruiting and retaining a balanced workforce, and were therefore not recommended to Members.

Members were also asked to note that Gary Enright (Unison Branch Secretary) was unable to attend that evening's meeting but had emailed the Vice-Chair to confirm the support of the Trade Unions for the new Policy.

Following consideration of the report, it was moved and seconded that the following recommendations be referred to Cabinet for consideration. By a show of hands, this was unanimously agreed.

RECOMMENDED to Cabinet that:-

- (i) Members note that the Shared Parental Policy is based on the statutory entitlement and in all aspects other than pay it mirrors the Council's Maternity and Adoption Policies;
- (ii) the Council do not adopt an enhanced Occupational Shared Parental Pay Scheme;
- (iii) the Maternity Pay scheme is not reduced to the statutory scheme only;
- (iv) the Shared Parental Leave Policy (as outline in Appendix 1 of the report) be adopted.

12. UPDATE ON RESERVES

Stephen Harris, Interim Head of Corporate Finance, presented the report, which provided the Scrutiny Committee with details of the usable reserves held by the Authority.

Members' attention was directed to the appendix to the report, which showed an opening balance of £97.165m (in accordance with the audited Statement of Accounts for the 2013/14 financial year), anticipated movements for 2014/15 and the projected balance on reserves of £89.080m as at 31st March 2015. The report also provided further detailed information on the reserve balances, which was outlined to Members.

With regards to General Fund reserves, as part of the annual budget setting process the Section 151 Officer recommends to Council that a prudent level be set. In recent years £10m has been recommended which is circa 3% of the Authority's net revenue budget. At its meeting on 25th February 2015, Council agreed the budget for 2015/16 including the proposed use of General Fund balances resulting in a projected balance of £10.078m as at 31st March 2015. With regards to Housing Revenue Account (HRA) reserves, these are ring-fenced and cannot be transferred into General Fund balances. The projected balance on HRA usable reserves is £15.333m as at 31st March 2015 and much of this funding will be utilised for the £200m WHQS Capital Programme. With regards to Capital Reserves, the total projected balance of £28.932m is ring-fenced for the Authority's Capital Programme, including approved matched funding for 21st Century Schools.

Officers also provided an update on the Service reserves held by each Directorate. The projected year-end balance on Corporate Services reserves is £22.999m and Members were asked to note that the £1.378m 'Other' reserves detailed against this section relate in the main to accumulated retained service underspends. It was previously agreed by Cabinet that service areas retain 50% of reported underspends at the financial year-end, which has

resulted in full ownership and accountability by Senior Officers in respect of delivering a balanced budget. The projected year-end balance on Environment Directorate reserves is £0.915m, £6.043m for Education and Leisure and £2.059m for Social Services.

An update was also provided in respect of released/partially released reserves. The budget proposals approved by Council on 25th February 2015 included the release of reserves totalling £0.757m to General Fund balances. However, reserves were only partially released in two areas and balances of £1.030m and £1.690m remain. The balance of £1.030m relates to approved funding set aside in previous years to meet potential pension deficits and this is likely to be required. A summary of the remaining £1.690m was detailed within Section 4.9.3 of the report.

Members were advised that a number of the reserves throughout the report have been highlighted as being subject to review. However, it was stressed that if any further sums are identified for release to General Fund balances these can only be used for one-off purposes and will not support the on-going need to identify year-on-year savings to support the Authority's Medium-Term Financial Plan.

During discussion of the report, a Member commented on the level of earmarked reserves relating to insurance and PFI schools. Officers explained the purpose of these reserves and the need to retain the balances.

Members thanked the Interim Head of Corporate Finance for his presentation and noted the contents of the report.

13. REQUESTS FOR REPORTS TO BE INCLUDED ON THE NEXT AVAILABLE AGENDA

There were no requests for reports received.

14. INFORMATION ITEMS

The Committee noted the following items for information, full details of which were included within the Officers reports. There were no items brought forward for review.

- (1) HRA Garages Update;
- (2) Discretionary Rate Relief Applications;
- (3) Information Governance 2014;
- (4) Caerphilly Local Service Board Minutes – 19th November 2014;
- (5) Caerphilly Homes Task Group Minutes – 19th February 2015;
- (6) Pensions/Compensation Committee Minutes – 17th March 2015.

15. JONATHAN JONES – DEMOCRATIC SERVICES MANAGER

The Vice-Chair advised the Committee that Jonathan Jones, Democratic Services Manager, had accepted a position with the Welsh Ambulance Service, and would therefore be leaving the Authority shortly. Members requested that their appreciation for all the work he had carried out on behalf of the Policy and Resources Scrutiny Committee be placed on record. Members added that Mr Jones would be greatly missed and wished him well in his future endeavours.

The meeting closed at 7.28 pm

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 2nd June 2015, they were signed by the Chair.

CHAIR