



POLICY AND RESOURCES SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN, YSTRAD MYNACH ON TUESDAY, 11TH NOVEMBER 2008 AT 5.15 PM

PRESENT:

Councillor M.E. Sargent - Vice Chairman

Councillors

H.A. Andrews, A. Blackman D.G. Carter, J.B. Criddle, D.T. Davies, L.Hughes, S. Jenkins,
G. Jones, K. Lloyd, D.V. Poole, K.V. Reynolds, A.S. Williams.

Also present:

Cabinet Members: Councillors C.P. Mann & A..J. Pritchard.

Together with:

N. Barnett (Director of Corporate Services), P. Evans (Head of Information, Communications,
Technology and Property Services), N. Scammell (Head of Corporate Finance), L. Lucas
(Head of Procurement), D. Morris (Buyer), J. Bennett (Community Regeneration Manager),
T. McMahon (Senior Community Regeneration Coordinator), J. Jones (Scrutiny Coordinator),
S.M. Kauczok (Committee Services Officer).

APOLOGIES

Apologies for absence were received from Councillors L. Binding, D. Bolter, K. Etheridge,
J.E. Fussell, Mrs. V Jenkins, J. Taylor and J.M. Wilson.

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 meeting held on 30th September 2008 be
approved as a correct record and signed by the Chairman.

3. CONSIDERATION OF ANY MATTER REFERRED TO THIS COMMITTEE IN ACCORDANCE WITH THE CALL-IN PROCEDURE

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

4. REPORT BY CABINET MEMBERS

The Scrutiny Committee received verbal reports from Councillor Colin Mann (Cabinet Member for Finance, Resources and Sustainability) and Councillor Allan Pritchard (Cabinet Member for Human Resources and Constitutional Affairs) on the following issues:-

- **Job Evaluation and Equal Pay**

Management and the Trade Unions are continuing to meet on a regular basis. Meetings with staff are being scheduled and information packs are in the process of being finalized for distribution to staff later in the month.

It is anticipated that the views of staff will be sought and reported in the New Year prior to any implementation decisions being taken.

- **Shared Services**

The Director of Corporate Services has now received the Shared Services Final Business Plan and is undertaking a detailed evaluation. There will be reports to the Scrutiny Committee and Cabinet in due course.

The Director has decided not to undertake wider consultation until he has had time to consider the business case and form a view.

A key issue is the level of WAG funding, if any. Until this is determined it is not possible to reach a conclusion on the business case.

The Director of Corporate Services confirmed that he would provide an update in the New Year.

- **Customer Services Peer Review**

Informal feedback following the review has revealed that the Authority is making good progress. Members are supportive of the service and the call centre is proving to be a success. A full report on the outcome of the review is expected in 2-3 weeks.

- **CLAW**

Sadly the Authority did not repeat its success of previous years. Neath Port Talbot County Borough Council won the Building of the Year Award for the Quays New Office and Service Response Centre and Torfaen County Borough Council won the Sustainability Award for its Eco Building.

Discussions have been taking place on more collaboration on Property issues across Wales eg. Asset Management.

- **Sustainable Development Advisory Panel (SDAP)**

Agreement has been reached at SDAP on carbon reduction targets. The Authority is looking to achieve a 45% reduction in CO₂ emissions over a 12 year period (15% milestones every 4 years).

- The Sustainable Strategy Launch is taking place at Ty Penallta on Friday, 14th November 2008 at 11 am. Jane Davidson AM will outline the Authority's targets through to 2030.

- **WLGA Member Conference**

Councillor Mann attended the conference held in Llandrindod. He offered to provide Members with copies of his address to the conference in which he highlighted the role of the Sustainable Development Advisory Panel and the SD initiatives being taken forward by the Authority.

- **Treasury Management Seminar**

Members were reminded that another Treasury Management seminar had been organized for December.

- **Procurement – Catalogue Supplies Meeting**

Discussions were taking place over the future of the Catalogue Supplies Organisation.

5. CABINET REPORTS

There had been no requests for either of the Cabinet reports on the agenda to be brought forward for discussion at the meeting.

SCRUTINY REPORTS

Consideration was given to the following Scrutiny reports.

6. UPDATE ON COMMUNITY PARTNERSHIPS

Mrs J. Bennett, Community Regeneration Manager, presented the report, which set out the key principles of the next phase of the Communities First Programme, post March 2009; details of the new Communities First Outcome Fund and issues for Non-Communities First Community Partnerships.

WAG officials had met with CCBC officers and partner organisations in August to discuss the staff implications for the next phase of the programme post 2009. WAG had expressed its wish to retain the model of delivery in Caerphilly and to look at how best it could be adapted to meet the requirements for the new focus of the programme post March 2009. Members' attention was drawn to a proposed new staff structure attached as an appendix to the report.

WAG had also established an Outcomes Fund to which Communities First Partnerships could apply for funding. The fund will be not less than £25m over a three-year period.

The Outcomes Fund will support activities that deliver real improvements at a local level in terms of tackling the key priorities for Communities First – child poverty, economic inactivity, job creation, income maximisation etc. Only Communities First Partnerships will be eligible to apply for the funding but they will have to demonstrate that they have the support of relevant service delivery organisations.

The next round of Communities First Funding starts on 1st April 2009 and WAG have said that the Outcomes Fund will be in place for that date. Officers are currently looking at opportunities to bid into the fund.

It was reported that Non-CF partnerships have to develop stronger bids to overcome the bias in favour of CF areas in the bidding process. This has caused some tension with partnerships in Non-CF areas that perceive themselves to be at a disadvantage.

Partnerships are developed across the county borough as a result of the community coming forward. The process includes an audit of the community, aspirations and statistical information. Officers then work with the community to produce a local action plan, which is then put out to wider consultation with the community. When the action plan is finalised there is final consultation with the community.

All community partnerships, CF or non-CF, are voluntary bodies governed by a constitution prepared for them by GAVO. They elect their own executives, hold annual general meetings and are accountable to their members. As volunteers, they are not always able to lead on projects and look to the statutory partners to assist.

In relation to the Nelson Village Centre Enhancement Scheme, Nelson is a non CF partnership and the scheme was carried out with Physical Regeneration Funding provided by WAG. WAG had indicated that the project would not have succeeded without the support from both the Community Partnership and the wider community via the consultation organised in conjunction with the Partnership.

The Scrutiny Committee noted the issues, progress and challenges outlined in the report.

7. CORPORATE SERVICES PROCUREMENT - UPDATE AND FORWARD PLAN

The report provided details of the position relating to Corporate Services contracts as at 1st July 2008; the changes in the staff structure and progress of that team since coming into post on 2nd April 2008, together with any financial implications in relation to the current situation and future Procurement plans

A team of four Procurement Professionals have been employed within Corporate Services since 1st April 2008. The team consists of one Principal Procurement Officer and three Procurement Officers one of which is dedicated to the procurement of food.

The Procurement activity spans across each service area within the directorate of Corporate Services and includes Corporate Finance, Legal Services, Information and Communications, Technology & Property Services, Personnel Services, Economic Development Tourism & European Affairs, Performance and Policy and Procurement Services.

The Corporate Services Procurement Team currently administers one hundred and thirteen contracts on behalf of the Directorate and other areas within the Authority at an estimated annual value of up to £23 million.

The vast majority of contracts within the directorate are compliant, therefore areas of spend will be identified that can be potentially undertaken as collaborative arrangements with partner organisations in order for the directorate to achieve greater efficiencies in line with local and national strategies. In the event that no collaboration is possible with certain contracts then in conjunction with the client department, innovative and different ways of working in accordance with EU legislation and the Authority's Standing Orders for Contracts will be examined.

The Scrutiny Committee endorsed the RECOMMENDATIONS that :-

1. The current situation regarding contract arrangements within the Corporate Services Directorate be noted.
2. Progress to date and the financial implications associated with current committed contracts be noted.

8. BUDGET MONITORING 2008/2009

The report detailed the expenditure and income trends for the first five months of the financial year. A projection had been made of the likely outturn and where there were significant variations from budget, these have been identified and commented upon.

The Head of Corporate Finance drew Members' attention to the main variances to budget in each service area.

It was reported that a number of initiatives were being implemented to try and reduce overspend situations within directorates. In particular, it had been decided that any requests to fill posts would be referred to Corporate Management Team for determination.

The Scrutiny Committee endorsed the RECOMMENDATION that Directors review expenditure and income trends in order to ensure annual budgets are achieved.

9. TREASURY MANAGEMENT AND CAPITAL FINANCE PRUDENTIAL INDICATORS MONITORING REPORT 2ND QUARTER 2008

Prior to presenting this report, the Head of Corporate Finance gave a verbal update on the Icelandic Bank situation, including the Authority's investments with the Heritable Bank and Landsbanki. The Council was investigating all avenues to recover this money and lobbying was being undertaken by the WLGA and LGA in this respect. It was anticipated that further information would be available towards the end of the month. Members would be kept up to date with developments.

The report provided details of Treasury Management activities and Capital Financing, together with the related Prudential Indicators for the period 1st July 2008 to 30th September 2008.

It was noted that the Council's original borrowing requirement for 2008/09 was £18.028m. During the period covered by the report, PWLB loans to the value of £6.68m were repaid on maturity.

The value of short-term investments at 30th September 2008 was £100.535m. The average rate for these investments as at that date was 5.78%, which compared favourably with the target rate of 5.00%. The average rate was due to the continuing effect of the credit crunch, which was causing short interest rates to remain higher than normal. It was pointed out that the foregoing excluded the sum of £15m deposited to Icelandic banks.

The Scrutiny Committee noted the report.

10. PROVISIONAL LOCAL GOVERNMENT SETTLEMENT 2009/2010

The report set out the key elements of the Provisional Local Government Settlement announced by the Welsh Assembly Government and indicated the detailed budget process for 2009/10.

The Provisional settlement for Caerphilly, having been adjusted for transfers in and out and for new burdens, amounted to an increase on last year of 2.67% (£6.36m). Given the continuing service pressures on the budget there would be no room for service growth unless supported by compensatory cuts elsewhere. Early indications were that taking into account pay awards, uplifts in non-pay inflation and significant energy increases, cuts in service provision seemed inevitable.

The figures at this stage were provisional and subject to the usual caveats. The final budget announcement from WAG was expected on 10th December 2008.

The capital allocation showed no growth from 2008/09 and as reported to Cabinet on 14th October 2008, there was a significant deficit due to both programme overspends and costs of delay in capital receipt income due to the economic downturn. This would require a significant reprioritisation of schemes for 2009/10 and a likely reduction in capital spend of circa £4m - £5m.

On the basis of the provisional settlement it was clear that there was no room for service growth without corresponding savings. Indeed, at this stage, there was a likelihood that there might be the need for service cuts just to balance. Members would be kept up to date with developments.

The Scrutiny Committee endorsed the RECOMMENDATIONS in the report that: -

1. The key elements of the Provisional Settlement be noted.
2. The extremely challenging Provisional Settlement for Caerphilly CBC be recognised.
3. Consideration be given to the budget setting process for 2009/10.

11. WRITE OFF DEBTS 2008/2009

The report advised Members of the monies due to the Council that it had not been possible to collect. These had been written off in accordance with the policy, as agreed previously by Cabinet and related to the first 6 months of the 2008/09 financial year.

The Director of Corporate Services advised Members of the possibility of additional staff being required in the Housing Benefits Section to cope with the increasing number of claims.

The Scrutiny Committee noted the report.

12. SMALL BUSINESS RATE RELIEF SCHEME FOR WALES (SBRR)

The report outlined the changes in rate relief introduced by WAG that affect non-profit making bodies and asked Members to consider a proposal to ensure that the changes introduced do not allow for an inconsistent treatment of non-profit making bodies in Caerphilly County Borough Council.

In summary, from 1st April 2007 any applications from non-profit making bodies for discretionary rate relief to 'top-up' SBRR must be fully funded by the local authority. The Authority could continue to treat all non-profit making bodies consistently; the estimated financial implications of this proposal are outlined in the report.

The Authority has received 6 applications from non-profit making bodies over the last 17 months and it can be seen from the figures in the report that the sums involved are fairly small.

The Scrutiny Committee endorsed the RECOMMENDATION to maintain the status quo in the financial treatment of rate relief for non-profit making bodies.

13. INFORMATION ITEMS

Members noted the following information items:-

1. Local Service Board Minutes - 16th September and 14th October 2008.
2. Corporate Health and Safety Committee - 15th September 2008.

14. REQUESTS FOR AN ITEM TO BE INCLUDED ON THE NEXT AVAILABLE AGENDA

- Councillor G. Jones requested a report on the background to the press article that had appeared in the Western Mail regarding an Equalities issue.

The Director of Corporate Services advised Members that the matter was being fully investigated.

- The Scrutiny Coordinator advised Members that the outcomes of the recent Performance Management meetings would be reported to the respective Scrutiny Committee meetings in due course.

An update on the Forward Work Programme would appear as the last item on the agenda.

The meeting closed at 7.30 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 20th January 2009 they were signed by the Chairman.

CHAIRMAN