



POLICY AND RESOURCES SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON TUESDAY, 20TH APRIL 2010 AT 5.15 PM

PRESENT:

Councillor J. Taylor - Chairman
Councillor Mrs M.E. Sargent - Vice-Chairman

Councillors:

H.A. Andrews, L. Binding, Mrs A. Blackman, J.B. Criddle, D.T. Davies, J.E. Fussell, L. Hughes, G. Jones, K. Lloyd, D.V. Poole, K.V. Reynolds, G.D. Simmonds, A.S. Williams, T.J. Williams

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

Together with:

N. Barnett (Director of Corporate Services), G. Hardacre (Head of Human Resources and Development), C. Jones (Head of Performance and Policy), E. Lucas (Head of Procurement), D. Perkins (Head of Legal Services/Monitoring Officer), N. Scammell (Head of Corporate Finance), D. Thomas (Senior Policy Officer, Equalities and Welsh Language), J. Jones (Scrutiny and Members' Services Manager) and R. Thomas (Committee Services Officer)

APOLOGIES

Apologies for absence were received from Councillors D. Bolter, S. Jenkins, Mrs V. Jenkins, J.M. Wilson

1. DECLARATIONS OF INTEREST

Declarations of interest were received at the start of the meeting as follows – Councillor D.T. Davies (as a member of the Citizen's Advice Bureau) and Councillor L. Hughes (as the wife of the Director of VALREC and also as a member of VALREC).

2. MINUTES

RESOLVED that the minutes of the Policy and Resources Scrutiny Committee held on 2nd March 2010 (minute nos. 1 - 11, on page nos. 1 - 6), be approved as a correct record and signed by the Chairman.

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

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

4. REPORT OF THE CABINET MEMBER

Councillor C.P. Mann, Cabinet Member for Finance, Resources and Sustainability was present and reported orally on the following:

ICT – Measures have been taken to save energy by switching off all computers by 7 p.m. This and other initiatives will contribute to the target for carbon reduction and will become more important when the council, together with other large public and private sector organisations, enter the Carbon Trading regime under the Carbon Reduction Commitment, instigated by the Treasury in London.

Procurement – The Welsh Purchasing Consortium now has 16 members, including Councils from Mid and West Wales. A meeting at Penallta House last week received a presentation from Alison Standfast, Deputy Director of Value Wales and a useful discussion on the potential for cooperation across the public sector took place.

Public Services Summit – A summit arranged by WAG was recently held in Cardiff, to set up a number of efficiency and innovation task and finish groups. Elizabeth Lucas, Head of Procurement, was invited to be a member of the Procurement Group and is one of only two members representing local government. Congratulations were given.

5. CABINET REPORTS

The Cabinet reports listed on the agenda had not been requested to be brought forward for review at the meeting.

6. DELIVERING THE COUNCIL'S EQUALITIES AGENDA

The report sought Member support of updated proposals for improving the delivery of the Equalities agenda across the authority, in light of changes in legislation and new duties and responsibilities being placed on public bodies, prior to consideration by Cabinet on 4th May 2010.

The council is required by legislation to have Equalities policies in place and then implement, manage and monitor effective actions and progress to meet the duties placed on the organisation. Amendments are necessary to ensure that council services are organised and delivered in ways that properly meet those duties, and the needs of all sections of the community the council serves.

The Scrutiny Committee considered and supported the proposals within the report and recommended to Cabinet that approval be given to the proposals and recent changes to ensure improved delivery of the Equalities agenda across the authority.

7. COUNTY BOROUGH SUPPLIES - JOINT ARRANGEMENT

To report advised Members of the current trading situation of County Borough Supplies.

Officers summarised the report and asked Members to note the existing financial concerns regarding the on-going operation of the Joint arrangement. It was stressed that close financial management is required to ensure existing levels of turnover and customer commitment is achieved. In addition, for Caerphilly Borough County Council to move away from the joint arrangement, at this time, would provide no benefit to the authority, due to the nature of the business being low value procurement, which can be resource intensive for little cost benefit.

Officers consider the current risk to the authority to be relatively low, as long as the trading position did not deteriorate. Should Caerphilly wish to withdraw from the current arrangement, one years written notice would be required.

Members discussed the report and received confirmation that monthly monitoring took place. The Joint Committee meet regularly and all members were pleased with the current arrangements and intended to remain.

The Scrutiny Committee noted the content of the report and the attached five-year business plan. The continuation of the joint Committee arrangement on a year-by-year basis and monitoring by officers of the financial performance on a three-month basis was welcomed.

8. STANDING ORDERS FOR CONTRACTS

The report sought Member endorsement of amendments to the Authority's standing orders for contracts, which ensure that the Authority's rules on the procurement of goods and services remain fit for purpose, prior to consideration by Council on 27th April 2010.

Members were asked to note a number of minor errors contained within the flow charts of the report's appendices. These would be amended before Council.

Officers reviewed the report and highlighted the revision is intended to bring more flexibility and a modern approach to contracting with third party providers, whilst maintaining open, fair and transparent contracting in line with EU legislation and the Treaty of Rome. The key changes to the document were demonstrated.

Members discussed the report in detail and sought clarification as to the proposals for setting contracting thresholds below that set by EU procurement Legislation. Support was given to amendments to internal providers and confirmation was given as to the way Social Services contracts will differ. Members were asked to note that Section 7 guidance was currently in draft format and consultation stage within WAG.

While competition was encouraged, Members raised concerns that local organisations could suffer. Officers advised support was and will continue to be given to local businesses to ensure they were best placed to tender for contracts. Officers also confirmed that local authority ex-employees were acting legally by using their expertise to win contracts.

In closing, a Member requested details of the authority's current spend of £158M with third party providers. Officers advised a spend analysis report will be ready to come before the scrutiny committee in approximately 8 weeks time. Members were asked however, to be mindful that large multinational companies could also employ local people and use local supply chains, therefore the analysis would be complex.

The Scrutiny Committee considered the report and recommended to Council that, to ensure that the Authority's rules on the procurement of goods and services remain fit for purpose, standing orders for contracts be amended in line with officer's proposals.

9. HUMAN RESOURCES SERVICE RESHAPING PROPOSALS

The report gave Members an update on the re-shaping of HR Services in the context of a previous report on restructuring in 2007, and the outcomes of the Shared Service Project for SE Wales local authorities. The report also detailed the longer-term direction of developing and deploying a changing model of delivery for the Division.

Officers reminded the scrutiny committee of the decision taken to amend the structure and of the action taken to date. Further organisational and business process changes are now required and software will be upgraded shortly to allow manager and employee self service with inbuilt workflow. Over the next 18 months the structure will evolve and specialist service teams will be created to serve across the authority.

The changes to the management structure are self-financing, as the deletion of a management post more than meet these anticipated re-grading costs. However, members were asked to note that natural progression should allow for the deletion of posts, and no redundancies are projected. It is anticipated that a cost saving of £150k will be delivered by 2013.

Members discussed the report and whilst welcoming the more robust succession planning arrangements, requested further information on how the new structure's success would be measured. In addition, clarification was sought as to the legal requirement to retire at the age of 65 years. Officers advised the authority had publically stated that it will not support workers past the age of 65 years, subject to exceptions.

The Scrutiny Committee noted the report and endorsed the recommendations contained within, including the realignment of the budget resources and renaming of the Division and associated job titles.

10. INFORMATION ON THE SERVICE LEVEL AGREEMENT BETWEEN CAERPHILLY COUNTY BOROUGH COUNCIL AND THE VALLEYS REGIONAL EQUALITY COUNCIL (VALREC)

A declaration of interest was received by Councillor L. Hughes at the start of the meeting. She left the room while the agenda item was being discussed.

The information report was requested to be brought forward for review at the meeting.

The report responded to a Member's request for information regarding the Service Level Agreement (SLA) in place between Caerphilly County Borough Council and VALREC. The new SLA is a far more detailed agreement compared with the previous version, and was tailored to the Caerphilly area specifically.

Members commented on the good service of VALREC but raised concerns over work completed for Community First Partnerships. When highlighting VALREC's recent history, the appropriateness of a three year agreement was questioned by some Members. Officers confirmed their role in reviewing the SLA and advised they believed that a three year agreement offered stability and an opportunity to plan for the future. Monitoring requirements of the SLA are now clearer and more stringent than previous versions. Members questioned the outcome of any monitoring and the use of penalties, if problems were identified.

Reference was made by some Members to a recent request for an internal audit. Officers advised it would be inappropriate to discuss this, at this time. Following completion of the audit a report will be brought before the appropriate committee for discussion (usually the Audit Committee); and as requested, to the Policy and Performance Scrutiny Committee for information.

The Head of Legal Services confirmed, in his opinion, sufficient work (and evidence) had been undertaken for the SLA to proceed. He reiterated that monitoring will be undertaken and that this was just one of a number of SLAs to be reviewed recently by the authority.

Members requested sight of the quarterly monitoring reports and the annual report, available as per the existing SLA. Officers agreed to confirm their availability.

The Scrutiny Committee noted the contents of the report and welcomed sight of the monitoring reports and outcome of the ongoing investigation.

11. BUDGET STRATEGY - VACANCY MANAGEMENT

The information report was requested to be brought forward for review at the meeting. It provided Members with the up-to-date position on the vacancy management strategy being adopted in accordance with the 2009/10 budget strategy approved by Council in March 2009; and highlights the vacancies that have been deleted during the financial year.

Officers advised of the difficulty in writing the report as some of the posts were vacancies being held over from the 2008/09 budget year, and deleted during 2009/10. This overinflated the figures. In addition many posts are held open for approximately 8 months before being refilled or deleted. Members were asked to note, that while it was not stated in the report, the authority avoided compulsory redundancy.

Members sought clarification on the number of posts deleted and made references to the Cabinet Member's speech at Council's meeting of 25th February 2010. They asking if any deleted posts had been frontline positions and sought clarification as to the what defined a frontline post. Officers advised that the report, despite its content, did not fully detail the practical application of vacancy management and examples were given where following restructuring, posts were added and deleted, effectively cancelling each other out. Further information would be sent to members relating to front line services upon review of the Cabinet Member's speech of 26th February 2010 and the Budget Strategy report. Members acknowledged that the Cabinet Member's statement was not the same as an official policy.

A member noted that following substantial investment in procurement services, posts had been deleted, and concerns were raised that the service delivery will be affected. Officers advised that they are delivering the service in a difference way due to structure and funding changes, such as the withdrawal of the performance improvement grant (PIG) and enhanced electronic procurement. Consideration was also being given to shared services with similar agencies, such as the Police.

The Scrutiny Committee noted the contents of the report and welcomed the receipt of additional information.

12. INFORMATION ITEMS

The Committee received and noted the following items for information:

1. Procurement Processes;
2. Caerphilly County Citizen Advice Bureau New Service Level Agreement 1st April 2010 to 31st March 2013;
3. Freedom of Information/Environmental Information/Data Protection Requests 1st January - 31st December 2009;
4. Abercarn Cemetery;
5. Insurance Renewals 2010/11;
6. Council Tax Recovery;
7. NNDR Consultation Meeting - 22nd February 2010;

8. Minutes of the Caerphilly Local Service Board - 23rd February 2010;
9. Community Council Liaison Sub-Committee - 17th February 2010;
10. Pensions/Compensation Committee - 9th and 22nd March 2010.

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

The following requests for reports were received:

- (1) Councillor T.J. Williams requested a report on the level of consultation undertaken in regard to changes to street lighting arrangements. In particular with reference to the report considered by Cabinet on 14th July 2009.
- (2) Councillor K.V. Reynolds asked for detailed report on the authority's spend on external consultancy organisations and agency staff.
- (3) Councillor Mrs A. Blackman requested a report detailing efficiency planning in relation to the number of staff on fixed term contracts, and the resulting budgetary effects.
- (4) Councillor Mrs A. Blackman requested a report detailing the authority's policy, if appropriate, on community asset management transfers.

The meeting closed at 7.13 p.m.

Approved as a correct record and subject to any amendments agreed and recorded in the minutes of the meeting held on 8th June 2010, they were signed by the Chairman.

CHAIRMAN