



POLICY AND RESOURCES SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON TUESDAY, 16TH NOVEMBER 2010 AT 5.15 P.M.

PRESENT:

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

Councillors:

H.A. Andrews, L. Binding, Mrs A. Blackman, D. Bolter, J.B. Criddle, D.T. Davies, L. Hughes,
Mrs V. Jenkins, G. Jones, D.V. Poole, K.V. Reynolds

Also Present:

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

Together with:

N. Barnett (Deputy Chief Executive), P.S. Evans (Head of Information, Communications, Technology and Property Services), G. Hardacre (Head of Human Resources and Development), C. Jones (Head of Performance and Policy), D. Perkins (Head of Legal Services/Monitoring Officer), N. Scammell (Head of Corporate Finance), N. Jones (Principal Human Resources Officer), R. Matthews (Communications Manager), D. Regan (Human Resources, Group Accountant), J. Jones (Scrutiny and Members' Services Manager), R. Thomas (Committee Services Officer)

APOLOGIES

Apologies for absence were received from Councillors M.A. Derrett, D. Rees, A.S. Williams.

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 5th October 2010 (minute nos. 1 - 14, on page nos. 1 - 6) 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 following Cabinet report was brought forward for review.

5. Senior Management Arrangement (Cabinet 02.11.10)

Councillor Mrs A. Blackman requested that the report be brought forward for review and copies of the report were distributed at the meeting.

The Member raised concerns that posts were being created and filled without consultation with the Appointments Committee or in accordance with the internal advertising procedure. Officers advised no new post had been created and the restructuring arrangements were confirmed.

The Member thanked the Deputy Chief Executive for the clarification received.

6. REPORT OF CABINET MEMBERS

The Scrutiny Committee received an oral report from the Cabinet Member for Corporate Finance and Procurement, Councillor C.P. Mann in which he made reference to the Welsh Assembly Government (WAG) Draft Budget for 2011-12. This is to be published tomorrow and the final budget announcements are expected on the 23rd November. Early indications are that schools will be protected. Depending on the level of this protection, it could have a huge impact on other budgets.

In addition, WAG are to insist on larger contributions (30%) from the Authority in regard to grant funding and have been told to expect a 40% reduction in their own budget. However, more detail will be known when the final budget announcements are made in a week's time.

Councillor A.J. Pritchard, Cabinet Member for Human Resources, Legal, Policy and Governance referred to an e'mail sent earlier to Members detailing changes to a number of portfolio responsibilities of Cabinet members. This will ensure that the council's executive reflects the changes to senior management that are being implemented across the organisation.

Members thanked the Cabinet Members for their reports and a general discussion followed in which it was confirmed that Councillor C.P. Mann would retain responsibility for Sustainability within the Authority.

In closing, Councillor H.A. Andrews advised Members that Pengam School, together with feeder primary schools, held a recent sustainability event (named Eco 10 Event) in Pengam School with the introduction of solar panels. The school has set targets to reduce carbon emissions and this was just one initiative.

REPORTS OF OFFICERS

Consideration was given to the following reports.

7. PROPOSAL TO MEET MEDIUM TERM FINANCIAL PLAN FOR COMMUNICATIONS, MARKETING AND EVENTS SERVICE

The report provided further information to Members following the meeting of the Policy and Resources Committee on 5th October 2010 in which Members deferred consideration on the proposals to reduce Corporate Services budgets in line with the medium-term financial plan, pending full consultation with all parties. The report sought Members' endorsement to Cabinet on proposals to achieve £200,000 savings within the Communications, Marketing and Events service.

The report gave suggestions as to how service re-provision, efficiencies and reductions could achieve the required savings target. The Head of Information, Communications, Technology and Property Services highlighted action already taken to reduce costs, and summarised the benefits and challenges of the options detailed within the report. The report recommended option 2, with an estimated savings target of £241,876.

Members discussed the report and sought clarification on a number of points, including the number of posts to be removed and those already vacant, the proposed use of external companies and the numbers and duties of senior staff.

The Scrutiny Committee were in general agreement that option 3 was not viable, and sought clarification about employees' proposals as to how savings could be achieved. Officers reported the staff had made a proposal but it did not reduce the number of design and print personnel to reflect the projected reduction of workload. Members acknowledged that while this had been listed in the report as a background paper, not all Members had had the opportunity to review the document. Members believed sight of the staff proposal would facilitate a more informed debate.

A motion was proposed and seconded that prior to consideration on the proposals to meet Medium Term Financial Plan for Communications, Marketing and Events Service, the staff proposal be circulated to Members.

In addition, Members requested that the appendices be updated to illustrate vacant posts, occupied posts that would be made redundant, those posts that would count as a new saving, and detail indicative job evaluation grades.

The Scrutiny Committee agreed to defer consideration of the report pending receipt of the additional information outlined above. It was agreed a further report, with this information will be presented at the special meeting of the Scrutiny Committee on 29th November 2010.

8. MANAGING JOB PERFORMANCE PROCESS

The report updated Members on the further discussions held with the Council's recognised trade unions on the Managing Job Performance Process, prior to the process going to Cabinet for approval.

Members were reminded that the Managing Job Performance Process is the vehicle designed for Managers to follow, if they are experiencing issues with any of the employees' performance, and forms an appendix to the new Disciplinary Procedure. The Scrutiny Committee was consulted on the process on 8th June 2010 at which a request was made for an additional report, following further discussions with UNISON.

Discussions took place on 30th June 2010 and a number of areas of common ground were agreed between the Council and UNISON. Concerns were raised by the trade unions regarding the proposal to withdraw the increment, attached to a disciplinary warning when an employee has been proven to be underperforming in their job role. Following consideration, it was decided that to withhold the increment, at the current time, would be inappropriate.

Therefore, the Managing Job Performance process will be amended to reflect this recommendation. The trade unions confirmed they are happy to proceed on this basis.

The Scrutiny Committee noted that the report would now be presented to Cabinet for approval.

9. REDUNDANCY SELECTION CRITERIA

The report sought Members' views, following consultation with the trade unions, on the recommended methodology for selecting employees for redundancy.

There are two sorts of redundancy situations, which could trigger the need to select employees for redundancy from a pool of potential candidates. The first is where there is a specific decline in the need for the workforce in certain functions or areas. The second is where there is a general need to reduce the workforce as a whole. If a single post is deleted, the criterion is not required.

It is the Authority's intention to use redeployment prior to any redundancies, however, when the selection criteria is used, it should be transparent, open and shared with those post holders occupying a ring fenced post. In applying the criteria, those with the lowest scores will be considered.

Officers have met with the Council's recognised trade unions and feedback has been received on the proposed selection criteria. Officers highlighted the complexity of the criteria and of the need for a process that is reasonable, fair and objective and does not discriminate against staff on the grounds of age, sex, race, disability or part-time status. Points awarded would have to be robust and evidenced to enable satisfactory defence, if challenged.

Members thanked the officer for his report and a full discussion followed during which officers responded to general questions. In particular, Members commented on the need for Managers across the Authority to complete consistent PDR's and for HR to monitor this process. Clarification was also sought on the affect to an employee's record following a period of long-term sickness.

In regards to the selection criteria itself, Members raised a concern regarding the wording with reference to 'performance' and the possibility of closing the gap between the points allocated. In addition, they questioned the possibility of reducing the bottom score to read below 70% with reference to 'job profile'.

In closing, a Member requested an email be sent to Members detailing all changes to the draft.

On the understanding that the Head of People Management and Development will verbally update Cabinet of amendments, the Scrutiny Committee referred the report to Cabinet for approval.

10. REVIEW OF THE COUNCIL'S LEAVE OF ABSENCE SCHEME – UPDATE

The report provided further information to Members to supplement the report presented to the Policy and Resources Committee on 8th June 2010 on the cost of leave of absence to the Council in 2009/2010. Members' feedback on the amended Leave of Absence Scheme prior to the Scheme going forward to Cabinet for approval was requested.

Members were asked to note the costs had been calculated using a grade 4 wage, and as such were indicative figures that, if anything, were underestimated. They were also based on a sample of 1569 employees who are on the Council's Flexible Working Hours Scheme, as

this was the most reliable data available. This had then be pro rata'd up for the organisation as a whole, to a total of 9740 staff.

Officers added that the savings were also indicative, as they did not include costs of services that required agency cover for any leave taken. The need for these services was explained.

The report had been shared with the trade unions and the Equalities Group as part of the Council's consultation process and their views had been considered.

Members sought clarification of the on-costs given within the report and a Member asked for a complete breakdown of these to allow for greater analysis.

Members received confirmation of the existing leave of absence scheme in relation to medical appointments and officers advised the Authority's scheme was over and above the statutory requirements. A Member raised the concern that the proposed reduction in Carers' Leave could lead to staff using sickness absence as an alternative. Officers confirmed improvements had been made using the payroll and next year a new system would be in place to deal with these issues. Managers were also being supported and training sessions had taken place in relation to the Managing Sickness Absence Procedure implemented from April 2010.

Members asked that unpaid leave taken by staff to represent the County/Country at sporting events should be detailed within the Policy, rather than at the Director's discretion. The need for a written definition of acceptable emergency circumstances where unpaid leave can be taken was also expressed.

On the understanding that the Head of People Management and Development will verbally update Cabinet of amendments, the Scrutiny Committee referred the report to Cabinet for approval.

11. TREASURY MANAGEMENT & CAPITAL FINANCING PRUDENTIAL INDICATORS MONITORING REPORT – 2ND QUARTER 2010/2011

The report presented Members with details of Treasury Management activities and Capital Financing, together with the related Prudential Indicators for the period 1st August to 30th September 2010.

Members were asked to review the Treasury Management Strategy for 2010/2011 as set out in the Annual Investment Strategy and Capital Financing Prudential Indicators Report. The Head of Corporate Finance confirmed the report held little changes from the previous quarter, and highlighted the decision taken, as part of the approved strategy, that no external borrowing will be undertaken in the current year, either to replace maturing debt or to fund the capital programme.

Officers advised that whilst there is still some uncertainty regarding a 'double-dip' recession, there are opportunities to enhance the interest achievable on short-term deposits via Treasury Bills. Treasury Bills are issued by the Debt Management Office (DMO), have AAA rating and offer better interest. Officers therefore suggested that deposits be moved from the Debt Management Account Deposit Facility (DMADF) into Treasury Bills, as and when practicable. In addition, as they are issued by the DMO there would, in essence, be no need to change to the Strategy to enable officers to move these deposits.

Members were advised the subject of investment performance and alternative investment strategies would be covered in the seminar to be held on 13th January 2011. Arlingclose, recently appointed as Treasury Consultants to the Authority will be giving a presentation at the seminar.

Members were reminded that at the last meeting of the Scrutiny Committee, they were asked to consider removing the £25m limit placed on deposits with local authorities. However it has been suggested that smaller local authorities in England may find it difficult to balance their budgets in the coming year. Officers suggested caution and recommended that monies be removed from local authorities until a clearer picture about future budget positions is known.

Members thanked the officers for the informative report and a discussion followed, in which Members agreed, pending more certainty of the markets that funds are not reinvested upon maturity into other local authorities.

A Member enquired as to the percentage paid on the non-PWB loan administered by Newport City Council; and questioned the terms of the loan. The officer agreed to confirm these details and respond by e-mail.

Members welcomed the seminar by Arlingclose, and the opportunity for Treasury Bills to be explained in greater detail, and asked if there was sufficient time to defer any decisions until after the seminar took place. Officers confirmed that any changes to the Strategy had to be agreed by Council, and as such there was an opportunity to attend the seminar before the next appropriate Council meeting.

The Scrutiny Committee considered the report and recommended to Council that any changes to the Strategy be deferred until after the Arlingclose seminar.

12. CIPFA CODE OF PRACTICE FOR TREASURY MANAGEMENT IN THE PUBLIC SERVICES 2009

The report advised Members of the details of Treasury Management Practices (TMPs) applicable to the Authority, as contained in the new Code of Practice for Treasury Management in the Public Services 2009 (the Code).

Officers reminded Members that at the last meeting of the Scrutiny Committee, they were informed of the key principles of the Code. This report, with the additional detailed schedules, highlighted the normal day-to-day practices. Members were asked to note that the Authority already conformed to the majority of the schedules.

The Scrutiny Committee considered the report and recommended to Council the formal adoption of the new Code of Practice for Treasure Management in the Public Services 2009.

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

Councillor L. Binding requested a report on sickness absence to be prepared for consideration at a future meeting of the Scrutiny Committee.

14. INFORMATION ITEMS

The following reports were received and noted:

- (1) Small Business Rate Relief Scheme for Wales (SBRR);
- (2) Discretionary Rate Relief Applications;
- (3) Capital Outturn 2009/2010;
- (4) Summary of Members' Attendance – Quarter 2 – 1st August 2010 to 31st October 2010;
- (5) Minutes of the Caerphilly Local Service Board held on 21st September 2010;
- (6) Minutes of the Pensions/Compensation Committee held on 28th September 2010;
- (7) Minutes of the Pensions/Compensation Committee held on 2nd November 2010.

The meeting closed at 7.15 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 25th January 2011, they were signed by the Chairman.

CHAIRMAN