



## **POLICY AND RESOURCES SCRUTINY COMMITTEE**

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON  
TUESDAY, 1ST OCTOBER 2019 AT 5.30 P.M.**

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### **PRESENT:**

Councillor J. Pritchard - Chair  
Councillor G. Kirby - Vice-Chair

### **Councillors:**

M. Adams, Mrs E.M. Aldworth, Mrs C. Forehead, L. Harding, G. Johnston, C.P. Mann, Mrs B. Miles, J. Ridgewell, L. Whittle

### **Cabinet Members:**

Mrs B. Jones (Interim Leader of Council), C. Gordon (Corporate Services)

### **Together with:**

R. Edmunds (Corporate Director for Education and Corporate Services), S. Harris (Interim Head of Business Improvement Services and Acting S151 Officer), L. Lucas (Head of Customer and Digital Services), N. Akhtar (Group Accountant), I. Evans (Procurement and Information Manager), J. Jones (Corporate Information Governance Manager), M. Jacques (Scrutiny Officer), R. Barrett (Committee Services Officer), S. Hughes (Committee Services Officer)

### **1. WELCOME**

Members gave a warm welcome to Sharon Hughes (Committee Services Officer) who was attending her first meeting of the Policy and Resources Scrutiny Committee.

### **2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors K. Etheridge, Miss E. Forehead, R. Saralis, Mrs M.E. Sargent and J. Taylor.

### **3. DECLARATIONS OF INTEREST**

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

#### **4. MINUTES – 9TH JULY 2019**

RESOLVED that the minutes of the Policy and Resources Scrutiny Committee held on 9th July 2019 (minute nos. 1 - 7) be approved as a correct record and signed by the Chair.

#### **5. CALL-IN PROCEDURE**

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

#### **6. POLICY AND RESOURCES SCRUTINY COMMITTEE FORWARD WORK PROGRAMME**

Mark Jacques (Scrutiny Officer) presented the report, which outlined details of the Policy and Resources Scrutiny Committee Forward Work Programme (FWP) for the period October 2019 to April 2020, and included all reports that were identified at the Scrutiny Committee meeting on 9th July 2019.

Members considered the forward work programme and agreed that the Performance Management – 6 month update report previously scheduled on the main FWP for 14th January 2020 be moved to the list of information items to accommodate a report on the Council's Strategic Equality Plan 2020-2024.

The Scrutiny Officer highlighted the Discretionary Rate Relief Application reports that are periodically circulated to the Committee as information items and the Committee were asked if they wished to continue to receive these reports, given that such applications are considered by the Interim Head of Business Improvement Services & Acting Section 151 Officer under delegated powers. Following discussion, Members were of the view that current practice should continue and unanimously agreed that these reports should continue to be scheduled on the Forward Work Programme as information items.

Members were also in agreement that the Update on Reserves report already on the Forward Work Programme be brought forward to the next meeting on 12th November 2019 and that the Treasury Management half year report 2019/20 already scheduled be moved to the list of information items.

Subject to the foregoing amendments, it was unanimously agreed that the Policy and Resources Scrutiny Committee Forward Work Programme be published on the Council's website.

#### **7. 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.

## 8. CAPITAL OUTTURN 2018/19

Councillor Mrs B. Jones (Interim Leader) presented the report, which provided information relating to the capital outturn for the 2018/19 financial year and presented details of actual capital expenditure for 2018/19 and slippage that has been requested to be carried forward into 2019/20.

Members were advised that the approved Capital Programme for the 2018/19 financial year totalled £69.45m, consisting of £13.65m for the General Fund and £55.80m for the Housing Revenue Account (HRA). During the year specific grants, slippage and contributions were received for various service areas taking the total available capital resources for 2018/19 to £120.74m. A summary of the 2018/19 outturn against each service area was included in the report.

It was noted that the 2018/19 Housing Revenue Account underspend of £3.95m will be carried forward into the 2019/20 financial year to support the ongoing programme of works to meet the Welsh Housing Quality Standard (WHQS). The General Fund variance of £38.16m can be split into £14.56m for schemes that are ongoing or have been delayed into 2019/210 (slippage), unspent sums on ring-fenced budgets totalling £23.62m, and overspends against schemes to the value of £17.3k. Further information on each of these areas were contained in the in the report appendices.

During the course of the ensuing debate, concerns were expressed regarding the level of underspends across several areas and their reoccurrence over a number of years. The Scrutiny Committee were given assurances that finance staff regularly meet with Heads of Service and other Managers to ensure that unspent sums in the Capital Programme are required moving forward. Furthermore, a commitment was given to review the balances again as part of the process of preparing the annual Use of Reserves report being reported to the Scrutiny Committee and Cabinet later in the year.

Discussion took place surrounding the reasons for the underspends detailed in the report. Officers explained that it can take time to prepare the business case detailing the rationale for budget spending, which can lead to a delay in the spend, and that some underspends can occur if future schemes/projects are delayed. It was emphasised that all money allocated to capital spend is held for an intended purpose. Assurances were given that if the Acting Section 151 Officer is not satisfied with the rationale for the funding being reserved for future years, then the monies will be released for other purposes.

Officers responded to general queries regarding individual schemes detailed in the report appendices, together with clarification on the spend deadline across certain grant-funded schemes. Further detail was sought on the slippage against highways reconstruction (£1.475m) and Officers confirmed that they would arrange for this information to be provided to Members following the meeting. A Member also asked if there had been any clawbacks in relation to grant funding over the last two years and sought further information on the circumstances where money had been reclaimed. Officers confirmed that there had been monies set aside in relation to land reclamation and confirmed that they would arrange to provide the specifics to Members following the meeting.

It was suggested that in relation to the outturn table in Section 5.2 of the report, it could be useful to include information on outturn against each service area, which would show any underspend as a percentage of the original target spend. Officers confirmed that they would include this information in future reports.

Following consideration of the report, the Scrutiny Committee noted its contents and the details of the outturn position for the 2018/19 Capital Programme.

## **9. CORPORATE SERVICES & MISCELLANEOUS FINANCE 2019/20 BUDGET MONITORING REPORT (PERIOD 4)**

Consideration was given to the report, which outlined the projected expenditure for the Directorate of Corporate Services and Miscellaneous Finance for the 2019/20 financial year. Members were advised that the Directorate of Corporate Services is currently forecasting an underspend of £1.515m for the 2019/20 financial year. The projected outturn for Education & Lifelong Learning is a net overspend of £162k, and consequently overall the projected outturn position for Education and Corporate Services is an underspend of £1.353m, with the details for the Education & Lifelong Learning position being reported to the Education Scrutiny Committee.

The report set out details of overspends and underspends across each service area within Corporate Services and outlined the reasons for these variances. Members were asked in particular to note the details of the anticipated underspend within Digital Services (£703k) which relate in the main to vacancies still to be filled pending a revised restructure. Once the various restructures have been finalised, the outturn forecast will be reviewed and updates will be provided in future budget monitoring reports. The Scrutiny Committee also noted the overall projected underspend of £465k in Miscellaneous Finance, which includes a £460k underspend across Capital Financing budgets due in the main to assumed General Fund borrowing being deferred to 2020/21.

The Scrutiny Committee discussed the report and raised a number of queries in relation to the Digital Services underspend and restructure. Officers explained that this service area has seen the merging of four separate departments and a review of the structure has been carried out to ensure that the service area is fit for purpose and that posts are filled by staff with the correct skillsets. In addition, a number of staff have left the organisation which has meant vacancies being carried forward pending the review of the service area.

Discussion also took place around recruitment mechanisms for the vacancies across Digital Services and it was emphasised that work is ongoing to select the right people to fill these positions. Members were advised that once the Digital Services restructure is complete, it is not expected that this underspend will reoccur in future years. Officers also responded to general queries in regards to underspends across other service areas.

Following consideration of the report, the Scrutiny Committee noted its contents and the projected financial position for the Directorate of Corporate Services and Miscellaneous Finance for the 2019/20 financial year.

## **10. PROGRAMME FOR PROCUREMENT (2018-2023) AND INFORMATION GOVERNANCE UPDATE**

The Cabinet Member for Corporate Services presented the report, which provided Members with an update and assurance in relation to the Council's Programme for Procurement and effective information governance, and informed Members about requests for information received under the Freedom of Information Act 2000 (FOI) and associated legislation during 2018-2019.

Members were reminded of the successful amalgamation of the Council's Corporate Procurement and Information Governance divisions in February 2019 as part of the new structure within Customer and Digital Services. As part of the ongoing monitoring of performance, a decision was made to submit a joint update report to Members in relation to the Programme for Procurement, Information Governance and FOI requests.

It was explained that the Council is committed to ensuring it achieves value for money from its third party procurement expenditure (currently circa £220 million per annum). It also recognises the value of using Procurement to support its wider cultural, social, economic and environmental objectives in a way that offers real long-term benefits to the community we serve and the people of Wales whilst balancing the issues of Value for Money. Members were referred to a copy of the Programme for Procurement as appended to the report, which is a living strategy and will evolve over time in order to adapt to the ever-changing environment and the developing Procurement landscape as a result of Brexit and the Welsh Government's re-positioning of the National Procurement Service.

Freedom of information and other information access rights continue to be served by the Council, and data on the volumes and handling of requests was set out in the report and its appendices.

The Scrutiny Committee discussed the report and in relation to a query on Information Governance and data breaches, Officers reported that the majority of breaches were low risk and did not meet the statutory threshold for reporting to the Information Commissioner's Office. One recent breach did meet the criteria for reporting to the Information Commissioner's Office, who were satisfied that sufficient steps were taken by the Council to address the breach. It was noted that the Council is not required to report every breach; however all instances are logged internally to minimise a repeat occurrence.

A Member asked why the percentage of compliance in the report for response rates to FOI requests within the statutory 20 day period (84%) differed from those reported to the Performance Management Unit. It was explained that the PMU calculate performance cumulatively across quarters whereas this report calculates the average of each quarter in a calendar year, and it is hoped to eventually merge the two reporting mechanisms together.

Clarification was sought on the reasons for the increased number of FOI appeals during 2019 and it was explained that this may be due to heightened awareness around the new General Data Protection Regulations.

In relation to Procurement, a Member asked about the Council's intention to monitor contractor commitment to social clauses. Officers explained that further detail is set out in the Programme for Procurement, but will include monitoring mechanisms such as the Community Benefits model and the National Themes, Outcomes and Measurers (TOMs) framework. It is anticipated that this monitoring action will be implemented within the next 2 years and is being discussed collaboratively with Welsh Government and WLGA Heads of Procurement Network. In response to Members' queries, Officers also provided an overview of the TOMs Framework, explaining that this is a toolkit that has been developed by local government to provide a minimum reporting standard to allow organisations to measure social value.

A Member referred to the challenges around expanding the use of electronic invoicing by the Authority, and asked if this would be achieved by the April 2020 deadline when new regulations come into effect. Officers explained that work to develop this area would be a high priority over the next few months, but will face challenges from factors such as Brexit. A query was received regarding the lack of variation across performance indicators over the past two years in respect of electronic contracts and e-invoicing. Officers explained that this is due to a number of factors, including third party contract spend, the ability to use other pre-established arrangements, and WG's repositioning of the National Procurement Service.

The Cabinet Member reminded the Scrutiny Committee of the award-winning work carried out by Procurement Services, and expressed his thanks to Officers for the comprehensive detail and joint working involved in the preparation of the report. Members were also advised of the positive work being carried out with local suppliers and the increase in local spend across small and medium enterprises in recent years. It was noted that the Procurement Service

continues to support the Council's WHQS programme and has successfully met challenges in procuring new contractors via the Dynamic Purchasing System (DPS) for the provision of General Builders, which has effectively been very successful in bringing the programme back on track.

The Scrutiny Committee were extremely pleased to learn that Liz Lucas (Head of Customer and Digital Services) recently delivered a presentation on the WHQS programme to senior industry experts at a meeting of the prestigious International Research Study of Public Procurement (IRSP) in Cardiff. It was also noted that Mrs Lucas has been invited to the National Assembly for Wales later in October 2019 in order to speak on Public Procurement in the Foundational Economy. Members congratulated Mrs Lucas on representing the Authority at a national level.

Following consideration of the report, the Scrutiny Committee noted its contents and the progress made in respect of the Council's Programme for Procurement (2018-2023), Information Governance and security of Council information.

The Scrutiny Committee thanked the Officers in attendance for responding to queries raised through the course of the meeting.

The meeting closed at 6.50 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 12th November 2019, they were signed by the Chair.

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CHAIR