

Co-operative Scrutiny Board

Wednesday 21 October 2015

PRESENT:

Councillor James, in the Chair.

Councillor Mrs Aspinall, Vice Chair.

Councillors Mrs Beer, Bowie, Mrs Bowyer, Sam Davey, Jordan, Murphy, Ricketts and Storer.

Apology for absence: Councillor Kate Taylor.

Also in attendance: Marion Fanthorpe (Interim Assistant Director for HR and OD), Andrew Hardingham (Assistant Director for Finance), Ross Jago (Lead Officer) Chris Randall (Head of Finance Operators), Councillor Smith (Deputy Leader), Jane Stephenson (Head of HR) and Helen Wright (Democratic Support Officer)

The meeting started at 4.00 pm and finished at 5.50 pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

47. DECLARATION OF INTEREST

There were no declarations of interest made by councillors in accordance with the code of conduct in relation to items under consideration at this meeting.

48. MINUTES

The Board agreed that the minutes of the meeting held on 23 September 2015 are confirmed as a correct record.

49. CHAIR'S URGENT BUSINESS

There were no items of Chair's urgent business.

50. WORK PROGRAMMES

The Lead Officer (Ross Jago) advised that following some issues that had arisen at the Panel meetings relating to the scrutiny of the Corporate Plan (key actions) it would be advantageous to hold a separate meeting with the Chairs and Vice Chairs of the Panels to address some of the issues and to provide support and guidance.

The Democratic Support Officer (Helen Wright) reported that she had been unsuccessful in arranging a meeting with the City's MPs. The Lead Officer (Ross Jago) stated that it was important for the Board to have a clear theme to explore

with the MPs, as the meeting needed to be structured in a way that was useful to both sides.

The Board agreed –

- (1) its work programme together with the Caring Plymouth Panel's work programme;
- (2) to hold a meeting with both the Chairs and Vice Chairs of the Panels to provide support and advice on scrutinising the key actions arising from the Corporate Plan;
- (3) that arrangements are made to meet with the City's MPs.

51. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY**

There were no decisions taken under delegated authority.

52. **TRACKING DECISIONS**

The Board considered its schedule of decisions and noted the latest position.

The Vice Chair sought clarification as to whether a response had been received relating to the provision of information on the Beechwood Campus (minute 11 refers). The Democratic Support Officer (Helen Wright) advised that this information had been emailed direct to Councillor Murphy.

The Board agreed that the information relating to the Beechwood Campus and the percentage of bad debt attributed to customers (ie Council Tax) that had been written off will be circulated to all members of the Board.

53. **FORWARD PLAN OF KEY DECISIONS AND PRIVATE BUSINESS**

The Board considered the key executive decisions contained within the Forward Plan which were due to be discussed by Cabinet between November 2015 and February 2016. Two new items had been included in the plan, as follows –

- collaboration agreement with Hannick Homes to deliver a housing development on land between Woolwell and Roborough;
- 2016/17 revenue and capital budget and council tax.

The Board noted the new inclusions on the Forward Plan.

54. **CORPORATE MONITORING REPORT (AUGUST)**

The Head of Finance Operations (Chris Randall) presented the corporate monitoring report for August 2015 which highlighted the following key areas –

- (a) the estimated revenue overspend at the end of the year was £2.140m as at August 2015;
- (b) the figure of £131m represented the net People Directorate budget plus the gross Public Health Commissioning budget (which was financed by a ring fenced Department of Health grant);
- (c) the estimated forecast overspend within the Plymouth Integrated Fund was £0.904m; under the Section 75 risk share agreement with NEW Devon CCG, the forecast outturn indicated a potential transfer of £0.85m of funds from the CCG to Plymouth City Council.

In response to questions raised by Members, it was reported that –

- (d) there were several elements that related to the forecast overspend of £0.180m within Transformation and Change which included the delay in implementing the Customer Services service review, the recovery of legal expenses and the delay in the reviews of business support, HR and Finance;
- (e) the take-up of the enhanced voluntary release scheme within the customer services area had been significant with 68 members of staff expressing an interest and being accepted; however, the take-up of the scheme within HR had not been that significant;
- (f) within each service area a panel, including the Section 151 Officer, would be set up to consider the expressions of interest received from members of staff wishing to take up the offer of the enhanced voluntary release scheme;
- (g) the identified overspend within Transformation and Change was not attributed to the merge of the CCO and POD programmes;
- (h) the latest monitoring figures showed an improvement in the forecast overspend within Democratic Support;
- (i) it should be noted that some of the forecast deficits related to an under achievement of savings rather than an overspend.

The Chair advised the Board that the Panels were able to invite Cabinet Members and Directors to attend meetings in order to scrutinise the budget and performance.

The Lead Officer (Ross Jago) advised that if specific areas of concern were identified, Cabinet Members and Directors could be invited to attend Board meetings.

The Co-operative Scrutiny Board agreed to receive a score card for the Transformation Programme.

The Chair thanked the Head of Finance Operations (Chris Randall) for attending the meeting.

55. **ABSENCE REPORT (COUNCIL AND SCHOOLS)**

The Deputy Leader, the Interim Assistant Director for HR and OD and the Head of HR presented the absence report (council and schools) which highlighted the following key areas –

- (a) the report reviewed the rolling year to date sickness absence across the authority (including schools) by comparing sickness absence against targets and labour market data (where available);
- (b) the Council was responsible for a total of 40 schools (either Community or Voluntary Controlled Schools);
- (c) the total number of days lost in schools was 14,307.30 (rolling year to date) which equated to an average of 7.71 lost days per full time equivalent (FTE) (3.27%);
- (d) the total number of days lost across the authority was 18,372.33 (rolling year to date) which equated to an average of 7.55 lost days per (FTE) (3.20%);
- (e) corporate sickness remained under target; sickness had decreased by half a day per employee, as compared to an average of 8.05 per (FTE) in August 2015;
- (f) the Council's target was an average of 8.49 days (FTE), compared to the public sector average of 8.7 days lost; the private sector average hours lost to sickness was 1.8% (although it was unclear whether this percentage was for short term absence only which was normally the figure reported within the private sector);
- (g) the top six reasons for short term absence across the authority (including schools) were -
 - cold/flu
 - musculoskeletal
 - stress/depression and psychological;
 - stomach/gastric;
 - respiratory;
 - ear nose and throat;
- (h) there were a range of approaches used to manage sickness absence which included -
 - the implementation of a Workplace Wellbeing Charter;
 - an Employee Assistance Programme;

- access to Occupational Health services.

The Board sought further information relating to –

- (i) the take-up of the flu jab by employees in previous years;
- (j) the cost of absence to the authority in terms of both money and productivity.

The Board requested that future absence reports included a breakdown of sickness information by directorate and department.

In response to questions raised by Members, it was reported that –

- (k) managers were fully trained on sickness absence monitoring and were clear on what was expected; each case should be reviewed compassionately whilst balancing that against the need to deliver a service; HR advisers were able to offer both guidance and support during this process;
- (l) the Staffroom pages on the intranet provided staff with information relating to policies, procedures and health initiatives; line managers were able to provide this information to staff who did not have access to the website;
- (n) long term sick employees would be referred to the occupational health service; a copy of their role profile and the reason for their absences would also be provided; advice would be sought on whether the employee would be able to return to their role;
- (m) trade union representatives were fully engaged in supporting staff (who were trade union members) through the capability process;
- (o) reasonable adjustments would be made to support individuals with a disability to work for the Council;
- (p) Occupational Health are able to provide additional information, to that provided by a GP, as they can examine the impact the medical condition has on the employees ability to carry out the role in which they are employed.

The Chair thanked the Deputy Leader (Councillor Smith) and officers (Marion Fanthorpe and Jane Stephenson) for attending the meeting.

56. **CORPORATE PLAN - KEY ACTIONS**

The Assistant Director for Finance (Andrew Hardingham) gave a presentation on the Corporate Plan, key actions which highlighted the following key areas -

- (a) Key Action K06 – a Council that used resources wisely -
- the Council's funding streams included the revenue support grant, business rates, specific grants, council tax and income from non-domestic rates;
 - from 2015/16 the revenue support grant would reduce from £44.55m to £15.15m in 2018/19 which represented a reduction of 66%;
 - the current new homes bonus scheme only guaranteed funding for a six year period; the fund would start to taper out from 2017/18;
 - the Council's gross expenditure for 2015/16 was £525m which consisted of the dedicated schools fund which was passported to schools (£108m), housing benefit payments to claimant (£101m); the remaining budget of £328m needed to provide services such as adult social care, education. Public health and children's social care;
- (b) Key Action K07 – maximising grant funding opportunities -
- in 2015/16 grant funding contributed 15% of the Council's gross revenue budget and 60% of the Capital Programme;
 - since 1995, the Council had been successful in winning 1367 grants and had been awarded £102,882,672;
 - the Council currently subscribed to GRANTfinder a search engine that collated potential funding opportunities from both the public and private sectors;
 - the development of an accurate record of external funding available and received by the Council would ensure a co-ordinated and strategic approach to communications with funding bodies and the ability to lobby appropriately for other funding schemes to ensure Plymouth gained its fair share;
 - the way forward included the development of appropriate tools (developing a grants management framework, refine the grants register and develop an approval process), improved co-ordination and maximising limited capacity.

In response to questions raised by Members, it was reported that –

- (c) the Medium Term Financial Strategy was being revised and refreshed as part of the budget process and would be available shortly;

- (d) the impact of the Government's announcement that local government would be able to retain 100% of the business rates, at the same time phasing out the core grant, by the end of this Parliament, was not known at this stage (not all of the changes had been worked through).

The Board sought information relating to the new homes bonus scheme –

- (e) the number of planning applications that had been granted but no development(s) had commenced;
- (f) whether a further market recovery initiative would be undertaken to incentivise developers to building developments that had already received planning approval.

The Board agreed -

- (1) that the Your Plymouth Panel include on its work programme an item on external funding;
- (2) to include on its work programme the External Funding Strategy and the Medium Term Financial Strategy.

The Chair thanked the Assistant Director for Finance (Andrew Hardingham) for attending the meeting.

57. **BUDGET SCRUTINY 2016**

The Board's Lead Officer (Ross Jago) submitted a report on Budget Scrutiny 2016 which highlighted the following key areas –

- (a) the key purpose of overview and scrutiny was to hold the Cabinet to account and to ensure that the authority was working towards and delivering services in line with its agreed corporate priorities; a significant element of that function was the scrutiny of the budget which was undertaken by the Board;
- (b) whilst considering the options for budget scrutiny in 2016; the Board needed to be mindful of the predicted level of reduction in the revenue support grant based on information released to date by the Government and the Chancellor's request for central government departments to model two scenarios of 25% and 40% of savings within their resource budgets by 2019-20 in real terms;
- (c) it was important for members to be mindful of their fiduciary duty to look after the best interests of local tax payers in the management of the Council's resources which required a robust overview and scrutiny role in the budget process, in particular members would be expected to consider -

- affordability;
 - prioritisation;
 - value for money;
 - budget processes
- (d) four options for conducting the budget scrutiny process had been proposed which included -
- option 1 – three days to undertake a wide ranging review;
 - option 2 – two days to undertake a similar review as used in 2014/15;
 - option 3 – scrutiny task group;
 - option 4 – member challenge group.

Members of the Board considered that in order to conduct a meaningful and robust scrutiny of the budget, it was crucial to allocate sufficient time to this process.

The Board agreed to undertake a three day review to scrutinise the budget.

58. **CALL-INS**

There were no call-ins to consider.

59. **URGENT EXECUTIVE DECISIONS**

The Chair reported to the Board that he had signed one urgent decision which approved a loan to support the construction of a community owned solar array at Ernesettle from the Council at a commercial rate.

The decision –

- (a) had been deemed to be urgent, as following the publication of the notice of the Council's Forward Plan, the decision could not be taken until the expiry of the statutory 28 day notice period;
- (b) was required before the statutory 28 day notice period, as Plymouth Energy Community Renewables Ltd (PECR) needed to be in a position to sign contracts for the construction of the solar array during the first week of November 2015 and to delay the decision would significantly escalate risks of the project not being completed before April 2016.

The project needed to be completed at the latest by 1 April 2016, as the Government was proposing to implement cuts to the Renewable Obligation (RO) subsidy which underpinned the business case. Projects completed in advance of this date would be entitled to a 'grandfather' subsidy for 20 years. The Council had been asked for a bridging loan to allow PECR the time to complete the project and further time to raise the longer term package of debt and shared equity.

Due to the anticipated cuts, the project would not be viable after March 2016, therefore this was the last opportunity to provide a community owned solar array on such a scale in the City.

60. **RECOMMENDATIONS**

The Board considered and agreed the recommendation from the Caring Plymouth Panel relating to (minute 17) the drafting of a PID to undertake a review of the maternity services at Derriford Hospital.

61. **CO-OPERATIVE REVIEW(S)**

There were no Co-operative Scrutiny Reviews to consider.

62. **EXEMPT BUSINESS**

There were no items of exempt business.