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Economy, Residents, Communities and Governance Scrutiny Committee – 29.01.2020

MINUTES OF A MEETING OF THE ECONOMY, RESIDENTS, COMMUNITIES AND GOVERNANCE SCRUTINY COMMITTEE HELD AT COUNCIL CHAMBER - COUNTY HALL ON WEDNESDAY, 29 JANUARY 2020

PRESENT: County Councillor M J Dorrance (Chair)
County Councillors K W Curry, D O Evans, J Gibson-Watt, G Jones, I McIntosh, P C Pritchard and D Selby

Cabinet Portfolio Holders In Attendance: A W Davies (Portfolio Holder for Finance, Countryside and Transport), J Evans (Portfolio Holder for Economic Development, Housing and Regulatory Services), G Breeze (Portfolio Holder for Corporate Governance and Engagement) and H Hulme (Portfolio Holder for Environment)

Officers: N Young (Corporate Director - Transformation), P Bradshaw (Head of Workforce and OD), Gwilym Davies (Head of Property, Planning and Public Protection), N Davies (Head of Housing and Community Development), Adrian Jervis (Head of Highways, Transport and Recycling), Clive Pinney (Head of Legal and Democratic Services), Wyn Richards (Scrutiny Manager and Head of Democratic Services), Jane Thomas (Head of Finance) and Diane Reynolds (Head of Digital Services).

1. APOLOGIES

Apologies for absence were received from Committee Members County Councillors E M Jones, J Pugh, J. Wilkinson and L. Skilton.

Apologies were also received from Cabinet Members County Councillors P Davies (Portfolio Holder for Education and Property), R Powell (Portfolio Holder for Young People and Culture) and R Harris (Leader) who were on other Council business.

Apologies for absence were received from N. Brinn (Corporate Director – Economy and Environment) and E Palmer (Head of Transformation and Communications)

2. DECLARATION OF PARTY WHIPS

There were no disclosures of prohibited party whips in accordance with Section 78(3) of the Local Government Measure 2011.

3. DISCLOSURES OF INTEREST

There were no disclosures of interest by Members in relation to items to be considered at the meeting.

4. DRAFT 2020-21 BUDGET

The Committee considered the following documents in relation to the Cabinet's Budget proposals to the Council for 2020-21:

- Cabinet report - Budget 2020-21
- Service Cost reductions proposals

- Individual Impact Assessment
- Fees and Charges Report
- Capital Programme
- Budget Simulator Public Consultation Exercise

The Head of Finance provided an overview of the budget proposal for 2020-21. All services had been asked to provide details of pay and inflation changes and changes to grants and service provision in preparing the revenue budget. Savings not made in 2019-20 were also identified. Services has identified inescapable budget pressures of around £18m. Whilst an improved budget settlement from Welsh Government had assisted the Council, the budget included £10.7m of cost reductions. The budget as proposed was supported by fees and charges and a proposed 5% Council Tax increase. The capital budget was supporting the delivery of Vision 2025 and the level of reserves was being maintained at the current level and not used to support the budget proposals.

The Committee discussed the budget proposals with each Head of Service.

Finance – Jane Thomas.

The Finance Service assists the Council in achieving its strategic objectives, meeting compliance, promoting good financial management, economy and efficiency. It also assists the way the Council works and in transformation, growing revenues, assisting residents with Council Tax reductions. In terms of cost reductions the Service was realigning its processes with smaller and leaner teams. It was also working to move the Council from a CIPFA 2 star organisation to becoming a 5 star organisation. There was some risk to the proposal but it was low risk. The proposal included some reduction in staff, generating areas of income, and making processes more efficient across the organisation.

<p>Question / Comment: At a time of reductions, are administrative costs remaining the same or reducing rather than increasing? Has anyone analysed whether the costs of administration are reducing?</p>
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<p>Response: It is difficult to identify what are administration costs and what are service costs, but in 2020 -21 the draft budget reduces the four corporate services budgets (Finance, Workforce, Digital and Transformation and Communications services) compared to 2019-20. Funding to support transformation is funded separately from capital receipts.</p>
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<p>Question / Comment: There is a £500k proposed reduction to the risk management budget – what areas does this apply to? Is this the budget reserve for Children's Services – if so, is it wise to do this as the budget for Children's Services has increased significantly this year? Is there benchmarking data for back office services for comparable authorities?</p>

<p>Response: £2million was set aside in 2019-20 as a risk management budget but services were expected to manage known pressures. The budget was there to recognise the unmanageable pressures and some savings not being made. In 2019-20 the budget is helping to offset overspends but it has not been attributed to specific services. The proposal to reduce the budget in 2020-21 reflects the reduction in risk arising from the better than expected provisional 2020-21 settlement, but the remaining budget is the minimum required to manage the unfunded</p>

risks should they materialise.

Question / Comment: The £2million does not just cover social care? Is this not sending the wrong message to reflect overspends in the current year. This year's increase in the settlement is unlikely in future and there is a need for rigorous financial management.

Response: The proposed allocation to social care in 2020-21 reflects the costs of the services based on the current caseload and sets a sustainable budget while the services continued to deliver the transformation plans.

Question / Comment: Pensions – is this the Council's contribution or employees' contribution?

Response: This is the authority's contribution to the pension fund and will not affect employees. Actuaries have reviewed what's needed to pay pensions in future. The fund has done well in the last year so there is no need to increase the contribution in 2020-21.

Digital – Diane Reynolds.

The proposals include areas of the digital service which have already been transformed. The proposals include 3 customer service proposals and 6 IT proposals.

Question / Comment: Telephone contracts – how will we save £103k? Is it a saving in staff costs?

Response: This saving has already been achieved (in December 2019) as a result of reducing the telephone contract by reducing the number of mobile phones we lease. This has been achieved by increasing the number of staff who used their own phones under the Bring Your Own Device project.

Question / Comment: How does the security operate on Bring Your Own Device applications?

Response: All the security is undertaken in the background by ICT and not on the phone itself.

Question / Comment: In terms of IT projects, are these software changes or reforming processes?

Response: IT02 – there were already staff vacancies which are being utilised. The Service is also looking at robotic processes and using this learning to assist other areas of transformation. Much automation has been undertaken in the Service.

Question / Comment: IT02 – does this include telephony?

Response: This is internal staff only.

Question / Comment: What are the proposals for external facing services?

Response: IT01 – this will be around the integration of the facility into customer services.

Question / Comment: There are concerns by Members about accessing the Council by telephone. Are any changes proposed?

Response: The current system is coming to the end of its contract. There is a need to review the current provision and also more interactive methods of delivering services. This review will also take account of new capabilities for telephony.

Legal and Democratic Services – Clive Pinney

The cost reductions set out in the proposal equate to £282k. This includes the restructure of the Democratic Service, Scrutiny Service and Member Support teams, which will mean a 2 Full Time Equivalent (FTE) staff reduction. There are currently 3 distinct services and restructuring means bringing these 3 groups together to give more resilience so that teams can support each other by cross skilling.

Scrutiny officers take too much time in getting information from services and there is a need to provide this in a more timely fashion. However, if the changes need reviewing, then this will be done. Whilst this provides a cost saving, the services to Members will continue to be appropriate.

Question / Comment: LS01 – It is concerning that the Council is not appointing a solicitor for Education and Employment.

Response: The plan was to appoint a 0.5 FTE post with Ceredigion County Council. However this has not happened due to funding issues in Ceredigion. There are currently 4 full time solicitors for social care and the Senior Solicitor who was dealing with social care now has capacity to deal with employment matters.

Question / Comment: The cost reduction in Members' travel – what does this involve?

Response: This is about encouraging Members to car share and using digital technology to hold meetings or conversations thus reducing the need to travel. This will need Members' support.

Question / Comment: WD06 – 5p mile passenger allowance for staff – is this contradictory?

Response: This proposal removes the allowance on the basis that staff are required to use the most cost effective mode of transport and do not therefore need a financial incentive to do so.

Question / Comment: This 5p reduction should apply to Members as well. Members should also be able to access the Bring Your Own Device option.

Response: Both are applicable to Members and the Bring Your Own Device was promoted at a Members' Development Session on the digital powers program.

Question / Comment: With regard to the vacant solicitor role. How can the grade be changed without going through Job evaluation?

Response: The person previously undertaking the role was at a higher level and had more responsibilities. The new person will not have those additional responsibilities as they are being covered elsewhere, so it will go through the job evaluation process to re-evaluate the grade.

Question / Comment: There are too many Member Development Sessions which are not necessary. Some of the e-learning sessions are more useful than some of the others provided.

Response: Agreed that all Member Development Sessions should have a clear purpose and add value. This had been discussed by the Executive Management Team that day. Members would be consulted on a draft programme for 2020-21 through the Member Development Working Group.

Question / Comment: Mobile phones and Bring Your Own Device – can the Council roll that out for laptops as well?

Response: Digital Services to be asked to consider this proposal.

With regard to Member Development, the Portfolio Holder for Corporate Governance and Engagement suggested that there is a fine line between providing too many Member Development Sessions and keeping Members informed about what is going on in the Council. All departments have been asked to identify cost reductions. There is also an understanding about the need for scrutiny support and legal services and the Portfolio Holder was confident about the provision moving forward.

Transformation and Communication Service – Ness Young (Corporate Director – Transformation)

This Service includes Business Intelligence, Communications Service and the Welsh Language Service. Part of the proposals include a vacant post and therefore will have no impact. £25k would come from the Communications budget and a contribution to this would come from grant funding, therefore there would be no impact on the quality of the service.

Question / Comment: What is the budget for catering?

Response: This is for events which were undertaken by the Communications Team in the past which would not be catered for in future.

Question / Comment: Is there a drive to find grants which can be used?

Response: Yes. Everyone knows there is a need to find new grants and to use them. Part of the budget plan is that grants are sourced to assist the budget.

Question / Comment: Is someone looking at possible grants, in case some services are not doing this themselves?

Response: Yes, the Regeneration Team are experienced in doing this. Welsh Government is also improving its advertising of grants but timescales for applications can be very short. The Council is also working with partners such as the Health Board to secure grant opportunities.

Workforce and OD – Paul Bradshaw

The cost reduction proposals are £146k for 2020-21. Workforce and OD are not an outward facing service but a support service. The main elements of the proposals were Additional Voluntary Contributions (Pensions), car allowances and apprenticeships. The Service had made cost reductions of £183k in the current year.

Question / Comment: WD06 – concern about car sharing. Are staff sure they are not in breach of insurance by carrying passengers. Are staff covered? Who checks that staff have the correct cover?

Response: Staff that use their cars for business use are required to have appropriate insurance which automatically covers them to carry passengers. Staff have to provide evidence of the appropriate documentation before using their vehicles for business use.

Question / Comment: Is the Council sure that staff who are transporting others have the correct cover and are aware that they require this. Will the additional cost for the insurance be covered by the 5p passenger allowance?

Response: The insurance cover is for business use, not for carrying passengers. The Passenger allowance was not designed to cover any costs associated with vehicle insurance but for carrying passengers.

Question / Comment: Apprenticeships – is this cheap labour as they are taking on fully substantive posts?

Response: No. The Council wants to offer apprenticeships to help grow our own talent and build a sustainable workforce in the future. They provide 'on the job' training as well as professional training the costs of which are met from the apprenticeship levy.

Highways, Transport and Recycling – Adrian Jarvis

The Council has the largest network in Wales but spends less on it than the rest of Wales. The Highways position has been recognised in the budget and some initially proposed reductions have been rerieved. However, the Service still needs to achieve a number of cost reductions. There has been a slight increase in the highway maintenance budget but a reduction in the winter maintenance budget. The Recycling Team is considering changing routes and working patterns. More savings will be more difficult to achieve, unpalatable and will have an effect on customers.

Question / Comment: Markets – this is going in the wrong direction as we should be trying to simplify the Council and where we have agreements with others such as Town and Community Councils we should leave markets with them. Bringing markets back in house has not assessed the full costs of running those markets. Town and Community Councils have also already set their precepts. It is difficult to see how this would generate an income for the Council.

Response: £60k income is generated from markets. There needed to be a wider discussion about others taking on other services as well as markets, but not all parties wanted to engage with this.

Question / Comment: The Council should be simplifying its operation. Town Councils would welcome a discussion about other services which they could take over from the County Council.

Response: This is a discussion that can be had in the future before any decisions are taken.

Question / Comment: Savings on transferring toilets – concern that Brecon Town Council has already set its precept and there has been no discussion about the proposal. There needs to be earlier discussion with Town and Community Councils.

Response: Communication and engagement should improve as the Council plans its budget for a 3 year period.

Question / Comment: The Household Waste Recycling Centre (HWRC) in Newtown is good. Are there any plans for a Council facility in North Powys?

Response: There is a HWRC in Welshpool, and this will be reviewed in 2021 as the current contract ends in 2021.

Question / Comment: The funding from Welsh Government for road maintenance, is it split by shire areas?

Response: The funding is split proportionally across 4 areas in the County. The funding split can be provided to Members. Capital is prioritised on a needs basis.

Question / Comment: Winter Maintenance – will primary schools have 1 route salted to keep them open?

Response: A new hierarchy of roads is to be established. Whilst schools currently are primary routes, some of the criteria and locations have changed over the last 15 years.

Question / Comment: Inflation increases – what do these relate to?

Response: These relate to matters such as road closures, street maintenance etc.

Question / Comment: Car Parks – when can the Committee review this issue and whether the Council can generate more income from car parks?

Response: Car park charges will be increased next financial year. There will be a review in 2021 which needs to be scoped and the discussed with a Working Group of Members.

Question / Comment: Can communities be provided with salt bins so that they can self grit? HT08 – what evidence is there to bring this proposal forward? With regard to bulky waste costs have increased significantly already.

Response: The increase in bulky waste is in line with other authorities. This is also about the proper disposal of items by individuals.

Question / Comment: HWRCs are sometimes difficult to access. Will the increase in cost for bulky items increase fly tipping and what evidence is there for this. Other Councils also allow 1 bulky item to be collected at no cost per year.

Response: The costs increased last year but there was no increase in fly tipping.

Property, Planning and Public Protection – Gwilym Davies

The proposals included a redesign of the senior management team as well as reviewing the planning service.

Question / Comment: How can a statutory service be delivered with less planning officers, in particular enforcement?

Response: The aim is to keep as many FTEs as possible and the redesign is meant to do this whilst delivering enforcement and economic development.

Question / Comment: The Impact Assessment shows an awareness that the redesign may not work or be risky. Is the Head of Service's opinion that this will work or should the Council be supporting with a larger budget?

Response: A smaller number of staff will mean a smaller service. The changes need to be monitored carefully. There will be a greater use of digital technology through the website to reduce the need for interaction with staff. In addition, there is a need for a fit for purpose enforcement policy and information form, so that planning officers have better information about issues which will assist the decisions as to whether enforcement action is required.

The Committee registered its concerns about the proposed reductions to planning services, although the Head of Service had provided assurances, there was still a risk. The Committee was advised that if it continued to be concerned about the proposals then Members should raise them at Full Council.

Housing and Community Development – Nina Davies

£1.2m had been found in the current year. The savings for 2020-21 were £600k. It was noted that it would take time to deliver the savings and some depended on other services such as Education for the catering and cleaning reductions. However, the changes were achievable. The savings were Arts (£63k), Cleaning (£29k), Housing (£25k), Libraries (£30k), Museums – Radnorshire (£16k), Y Gaer (£34k), Countryside Services (£150k). With regard to the Economic Development and Regeneration (£326k) reduction, bids for ESF funding were being sought so that the team would be funded externally.

Question / Comment: With the reductions in Countryside Services, the mitigation is grant applications. However there will be less people and applying for grants is a time consuming process.

Response: The Head of Finance indicated that all these facts need to be taken into account by the Head of Service in making their proposals for the budget.

Question / Comment: Housing (£25k) – this is a small saving, why is this being proposed? There is a lack of joined up thinking as with a reduction in homelessness services it will increase costs for social care. The Council should not make a change where the impact is very poor.

Response: There are limited cost reduction possibilities from the Housing General Fund. The impact on homelessness in Year 1 is limited, more in years 2 and 3 and this is where the mitigation is required. The cost reductions are in the restructuring of management.

Question / Comment: There continues to be a concern about the impact on homelessness work on other services.

Response: The impact assessment is looking across 3 years. The assessment will need to be worked up over the 3 year period.

Question / Comment: Welshpool sheltered housing upgrade work to the paths. The company which is employed is English and is bringing in materials from England, with no spend in Powys. Is there a way of preventing this?

Response: This is an issue for Commercial Services and Procurement. The Council is trying to keep the spend in Powys and Wales and is also working with local suppliers and manufacturers to encourage them to be part of the Council's frameworks for contracts. Each quarter in 2019-20 an additional £1m has been spent in Powys.

Question / Comment: There are a number of suppliers in Welshpool but the contractors are spending outside of Powys for materials. The Council needs to do more to protect Powys and Welsh companies.

Response: The Housing Service supports the Council's framework agreements and works with procurement officers.

Question / Comment: The framework used by the Council (Sell to Wales) is not fit for purpose as main contractors are not using local sub-contractors, therefore not assisting the Powys Pound. Also smaller suppliers are not able to tender for work due to the packaging of tenders, which would attract more local businesses to apply.

Response: It is understood that there is a problem for small companies in relation to framework agreements. Some small contractors may not be big enough to undertake the larger contracts. However it is built into contracts that local contractors should be used for Powys tenders. Some of the contracts are more place based as well. It is the larger contracts which are the issue. Local spend is reported.

Question / Comment: Countryside Services – in the Impact Assessment, why is this a medium risk for a reduction of £150k. The mitigation is to increase the number of volunteers and apply for more grants. However, with a reduction of staff who is going to train the volunteers and to apply for grants? There are currently a number of blocked footpaths and the position is going to get worse. Doctors are giving out green prescriptions and with less footpaths and staff, these are not going to be effective.

Response: It is accepted that the proposal comes with significant risks. The restructuring of the team is to build capacity to work with more volunteers and to work with colleagues in regeneration to access grants.

Question / Comment: This needs to be reconsidered by Cabinet as there are risks for other services. Is there transformation funding available to assist this proposal?

Response: This is the assessment and mitigation. The role of remaining staff is training and supervision of volunteers. Officers can bid for transformation funding with a business case. The Service has been gearing towards this over the last few years. An externally funded pilot project has been working towards this model of service delivery.

Question / Comment: Can the cost reduction be staggered over 3 years?

Response: This was considered but it is better to do this all in year 1 rather than restructure the team every year.

Question / Comment: Tourism – what part does the Council play in the promotion of tourism?

Response: There is a Tourism Officer within the Regeneration team and there is no proposal to change this. Tourism is also one of the workstreams within the Mid Wales Growth Deal.

Question / Comment: Arts Funding – the Impact Assessment is poor or very poor. However, the risk is Medium. What is the Head of Service's view on this. The SWAT analysis is comprehensive. There is a role for the arts in tackling poverty. How will the Council achieve its well-being goals if this proposal is implemented?

Response: Powys operates a commissioning and contracting model. Providers have been expecting reductions and the Council has been working with them over the last few years. There are some organisations that are very successful without Council funding. The plan is to work with organisations to identify new streams of funding. Health and Well-Being are some of the areas being considered for new streams of funding. Although the Council may not be able to directly support organisations it could assist them getting additional funding.

Question / Comment: Members do not recognise this communication which has been described over the last 12 months. A letter has recently been received by organisations about a reduction in funding. The Council is far too slow in communicating with organisations.

Response: 12 months ago organisations were told to expect no funding from the Council, and therefore the current position is a better position for them. However the issue of communication will be reviewed.

The Committee expressed concern that the Impact assessment continued to lack detail and required to be quality assured before they were presented to Members.

Scrutiny make the following observations to the Cabinet:

Digital.

- IT03 – Bring Your Own Device (BYOD) – on mobile telephones – although Members had been advised that this was available, officers were uncertain of the take up. The Committee suggested that this be further promoted to Members.
- IT03 – The Committee asked the service to consider whether BYOD could be extended to include equipment such as laptops.

Workforce and OD

- WD06 – The Committee sought assurances that appropriate arrangements are in place to ensure staff using their own vehicles for business travel have the appropriate business insurance. The Council needs to recognise that this may cause additional cost to staff.
- WD06 – The Committee sought assurance that the 5p passenger rate reduction would apply to Members as well as officers.

Highways, Transport and Recycling

- HT01 – Markets – The Committee questioned the rationale for taking these services back in house as the aim should be to simplify the Council. Markets should be left with Town and Community Councils. There are difficulties in the proposal in that Town and Community Councils will have set their precepts for the next year which will account for the running of and income generated from markets.
- HT01 – The Council should be having more and earlier discussions with Town and Community Councils about other services which could be transferred to Town and Community Councils.
- HT14 – Toilets. The Committee did not think there has been any discussion with the two Town and Community Councils affected by this proposal to implement this change in 2020-21 and they have already set their precepts. It was accepted that communications should improve as the Council moves to budget planning over three years.

Property, Planning and Public Protection

- PP02 – Planning Services – The Committee expressed concern regarding the cost reductions in Planning Services. Although the Head of Service provided assurances that a statutory service could be delivered, the Committee was concerned that there is a significant risk that this cannot be achieved despite the medium risk score in the Impact Assessment.

Housing and Community Development

- HC03 – Housing – The Committee expressed concern that the proposed changes over three years to the homelessness service would have a knock on effect and impact on the demand for social care services which had not been taken into account.
- HC08 – Countryside Services – The Committee was concerned about the full three years' proposals as staff reductions would lead to less staff available to train volunteers and to apply for grants. There is also a deterioration to the rights of way network currently with blocked paths which was a concern as doctors were prescribing green prescriptions to patients. The Committee was concerned that the proposed changes to service might lead to a further deterioration of the rights of way network
- HC01 – Arts Funding – The Committee considered that arts and culture is an important part of the Well-being agenda. The Committee was concerned that the proposal would reduce the Council's ability to achieve its well-being goals with the proposed cost reduction. The Impact Assessment highlighted that the proposal would have poor and very poor impacts on residents and communities without mitigation. The Committee was frustrated that the Impact Assessment did not contain any mitigating actions to reduce the risk and impact of the proposal.
- HC01 – The Committee was concerned that the communication to organisations had been too late with many of the organisations affected having already set their budgets for next year. The Committee believes this presents a further risk to the delivery of services.

Finance / Housing and Community Development

- FS02 – The Committee was advised of a project in North Powys where the contractor was from England and that contractor was bringing in materials

from England rather than using local suppliers. The Committee accepted that whilst there were improvement in retaining the Powys Pound (an additional £1million per quarter in 2019-20) the procurement process requires further amendment to address issues such as:

- Contractors from England using Powys / Welsh suppliers for materials rather than bringing in supplies from England;
- Adjusting the framework agreements to do more to ensure that Powys businesses are given greater opportunities to become sub-contractors;
- That tenders need to be repackaged to allow individual businesses in Powys more opportunities to tender for relevant elements of Council projects.

The Committee also commented that the standard of Impact Assessment required improvement as some of the assessments submitted lacked detail which could lead the decisions of Council vulnerable to legal challenge/review. The Committee noted that Council is required to fully assess the impact of its budget decisions and asked for the Assessments to undergo Quality Assurance.

Scrutiny's Recommendation	Accept (plus Action and timescale)	Partially Accept (plus Rationale and Action and timescale)	Reject (plus Rationale)
1 Bring Your Own Device (BYOD) (mobile phones) – The Committee suggested that this be further promoted to Members			
2 That the ICT service consider whether BYOD could be extended to include equipment such as laptops			
3 That the Cabinet seek assurances that appropriate arrangements are in place to ensure staff using their own vehicles for business travel have the appropriate business insurance			
4 That the 5p passenger rate reduction would apply to Members as well as officers			
5 HT01 – Markets – That the Cabinet review			

<p>the rationale for taking these services back in house as the aim should be to simplify the Council. Markets should be left with Town and Community Councils</p>			
<p>6 The Council should be having more and earlier discussions with Town and Community Councils about other services which could be transferred to Town and Community Councils</p>			
<p>7 That the Cabinet reconsider the following cost reductions proposals in light of the Committee's concerns:</p> <ul style="list-style-type: none"> • PP02 – Planning Services • HC03 – Housing • HC08 – Countryside Services • HC01 – Arts Funding 			
<p>8 That the procurement process be further revised to address the concerns raised by the Committee</p>			
<p>9 That the standard of Impact Assessment requires improvement and should undergo a quality assurance process</p>			

County Councillor M J Dorrance (Chair)

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