

CORPORATE SCRUTINY COMMITTEE

Minutes of the meeting held on 13 March, 2017 (A.M.)

- PRESENT:** Councillor R. Meirion Jones (Chair)
Councillor Gwilym O. Jones (Vice-Chair)
- Councillors Jim Evans, Victor Hughes,
Llinos Medi Huws, R. Llewelyn Jones, Peter Rogers
- Co-opted Member: Mr Keith Roberts (the Catholic Church)
- IN ATTENDANCE:** Assistant Chief Executive (Governance & Business Process Transformation)
Assistant Chief Executive (Partnerships, Community and Service Improvement)
Head of Function (Resources) and Section 151 Officer
Head of Democratic Services
Programme, Business Planning and Performance Manager (GM)
Head of Profession (Human Resources)
Human Resources Operations Manager (AR)
Interim Scrutiny Manager (AGD)
Committee Officer (ATH)
- APOLOGIES:** Mrs Anest Frazer (The Church in Wales), Councillor H. Eifion Jones (Portfolio Member for Finance), Councillor Alwyn Rowlands (Portfolio Member for Council Business)
- ALSO PRESENT:** Councillor Ieuan Williams (Leader)
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1 APOLOGIES

The apologies for absence were noted as listed above.

2 DECLARATION OF INTEREST

No declaration of interest was received.

3 CHAIR AND VICE-CHAIR'S UPDATE

- The Chair reported that following his nomination as the Committee's representative on the Corporate Safeguarding Board he had attended a meeting on the 8th February. A number of matters had been considered including an update on the Safeguarding Action Plan; the Corporate Safeguarding Governance Framework; the Policy for the use of physical restraint, the availability of training resources for the four key priority areas encompassing the Prevent programme, modern slavery, sexual exploitation of children and domestic abuse and an update on the programme for Laming visits. The Chair said that the Committee can be assured that key safeguarding matters are being addressed and are receiving attention within the Authority. Should any Member wish to raise a specific matter, then he/she would be welcome to discuss it with the Chair or it could be considered for inclusion within the Work Programme for a future meeting of the Committee.
- The Chair confirmed that he had presented the Scrutiny viewpoint on the final 2017/18 Budget proposals to the Executive at its meeting held on 14th February, 2017.

4 MINUTES OF THE MEETINGS HELD ON 6 FEBRUARY, 2017

The minutes of the previous meetings of the Corporate Scrutiny Committee held on the morning of 6th February, 2017, and the afternoon of 6th February, 2017 were presented and confirmed as correct.

Arising on the minutes of the 6th February, 2017 morning meeting -

- The Committee sought clarification on the position with regard to the publication and presentation of the Wales Audit Office report on sickness/absence management. The Committee noted that it had been pressing for the report to be issued for some time as an important report in the context of both this Committee and the Authority's prioritisation of sickness rates as an area for improvement. The Assistant Chief Executive (Partnerships, Community and Service Improvement) confirmed that the report had not been received and that the matter is being followed up with the Wales Audit Office on a regular basis.
- The Committee sought clarification of the £490k efficiency savings in respect of teaching assistant costs or other savings to the schools delegated budgets in 2018/19. The Head of Function (Resources) and Section 151 Officer confirmed that schools have the flexibility to identify efficiency savings of £490k by other means if these were not to be realised by way of reducing teaching assistant costs.
- The Committee sought clarification of the timing for including the Learning Disability Service as one of the subjects for the monthly Members' Briefing sessions. The Programme, Business Planning and Performance Manager confirmed that the Learning Disability Service is scheduled to be considered at a Members briefing session on 21 March, 2017.

ACTION ENSUING: The Assistant Chief Executive (Partnerships, Community and Service Improvement) to follow up the report on sickness management with the WAO.

5 PERFORMANCE MONITORING – CORPORATE SCORECARD QUARTER 3 2016/17

The report of the Head of Transformation incorporating the Corporate Scorecard which set out the Council's position against its operational objectives as outlined and agreed collaboratively between the Senior Leadership Team/Executive and Shadow Executive at the end of Quarter 3 2016/17 was presented for the Committee's consideration.

The Programme, Business Planning and Performance Manager reported on the following matters –

- That with regard to Performance Management, a great deal of work had been done in Quarter 3 with regard to mitigation activity and this is reflected in an improved position with the majority of indicators showing to be performing well against their targets. However, 5 indicators are underperforming as Amber or Red against their annual targets; three of these are within Adults' Services and are outlined in section 2.1.3 of the report; one indicator in Children's Services continues to show an underperformance from Quarter 2 details of which are given in section 2.14, and one new indicator which is now showing as Amber is from Regulation and Economic Development and is outlined in section 2.1.5. The Senior Leadership Team (SLT) recognises that these areas are underperforming and is ensuring that appropriate measures are put in place to mitigate against risks arising and to improve performance.
- That with regard to People Management, the performance of the Council's sickness rates at the end of Quarter 3 shows a significant improvement (7.21 days sick per FTE) when compared with last year (8.4 days sick per FTE). This indicates that the projected end of year sickness level if the past two years' trend of higher sickness results in Qtrs.3 and 4 as opposed to Qtrs. 1 and 2 was to continue, would equate to 10.5 days per FTE. However, if the strong performance in Quarter 3 is sustained into Quarter 4, then it is likely that the target of 10 days per FTE will be met. The Authority will seek further guidance from the Wales Audit Office with regard to good practices it has identified in relation to the management of sickness levels.
- Children's Services have been the subject of an inspection by CSSIW and the implementation of the resulting Improvement Plan to address the recommendations made will be overseen by the Senior Leadership Team and the Children's Panel.
- It is proposed that the processes of collating Education/Learning indicators are evaluated in Quarter 4 and into the new financial year. Additional support to enable this to be undertaken has been provided.

The Committee considered the information presented and made the following points –

- The Committee noted the missed targets with regard to three indicators within Adults' Services and it questioned whether staff capacity was a factor in the underperformance. The Programme, Business Planning and Performance Manager said that the mitigating measures do not indicate that capacity is considered an issue apart from in relation to PM19 – The rate of delayed transfers of care for social care reasons per 1,000 population aged 75 or over – where a lack of capacity in the domiciliary care sector as a whole has had a negative impact on the PI. The Interim Scrutiny Manager said that she had been advised by the Head of Adults' Services as follows –
 - LI/118b – The percentage of carers of adults who requested an assessment or review that had an assessment or review in their own right during the year. The Service has improved the performance of this PI in Quarter 3 and is confident that the target will be met in Quarter 4. The 30 or more clients identified as requiring an assessment or review will have those completed before the end of Quarter 4.
 - PM18 – The percentage of adult protection enquiries completed within statutory timescales. This is a new indicator for 2016/17 and the target could be seen as ambitious. The Service has identified that partner agencies investigation timings are having an impact on the timescales and performance of this indicator. This matter is and will continue to be raised in the strategic group meetings between Gwynedd and Anglesey and while the target for the year is unlikely to be met, every effort will be made to get as close as possible by the end of Q4.
 - PM19 – The rate of delayed transfers of care for social care reasons per 1,000 population aged 75 or over. This is also a new indicator and an ambitious one. A transformational plan is underway to secure more domiciliary care capacity in 2017.
- The Committee noted that the increase in demand and therefore the pressure on services is not likely to subside any time soon suggesting that it will become ever more difficult to meet challenging performance targets.
- The Committee noted that it is recommended that underperformance by way of red or amber indicators is recognised and appropriate measures put in place for improvement to be presented on a monthly basis to the relevant portfolio holder and management board. The Committee noted a lack of clarity with regard to the proposed performance management reporting arrangements especially with regard to defining the respective roles of Scrutiny and the management boards as well as a lack of reference to Scrutiny's input and role in securing continuous improvement. The Interim Scrutiny Manager said that following the Committee's last meeting a discussion between Scrutiny and the Transformation Team has been instigated with a view to better aligning the work of the Transformation/Management Boards and Scrutiny. The output of this work will be reported in the new scrutiny arrangements to be implemented for the new administration in May, 2017.
- The Committee noted with regard to Financial Management that there is overspending within individual services. The Committee further noted that there is no mechanism by way of targets for Scrutiny to monitor expenditure within individual services.
- The Committee noted that no targets are specified for a number of performance indicators meaning there are gaps in information on the Scorecard. The Programme, Business Planning and Performance Manager said that where a PI is new, there is unlikely to be a target since there is no historical performance upon which to base a target. Also, some activities e.g. the Mystery Shopper exercise occurs at a certain time during the year i.e. in Quarter 4. However, efforts will be made to populate the Scorecard more fully by the next quarter.
- The Committee questioned whether the targets with regard to some indicators e.g. PI 30 – the number of attendances (young people) at sports development/outreach activity programmes – are set at too low a level. The Programme, Business Planning and Performance Manager said that the target for the quarter is based on the previous year's performance. Services are challenged to ensure that targets are realistic and achievable. In the case of PI 30 the target has been revised downwards to reflect a reduction in provision.
- The Committee noted with regard to PI LCS/002b showing as Amber – the number of visits to local authority sport and leisure centres during the year where the visitor will be participating in physical activity – that the inability of the system to record all service users e.g. Direct Debit customers may mean that the participation figures are inaccurate leading subsequently to

potentially misleading performance data. The Programme, Business Planning and Performance Manager said that the shortcoming is being addressed in the mitigation measure as set out in paragraph 2.2.5 of the report.

- The Committee sought clarification of the Authority's performance with regard to Council Tax collection rates relative to that of other authorities. The Head of Function (Resources) and Section 151 Officer said that the difference between the best and the poorest performing authorities with regard to in year collection rates is not great with Anglesey close to the average although its performance on older debts is lower than the average. However, the Authority could improve its sundry debtor collection rates and processes have been reviewed to that end. The collection of some debts e.g. payments for residential care placements can be delayed pending the sale of the client's property thereby impacting on performance data.
- The Committee noted that since the introduction of the Corporate Scorecard as a performance monitoring and evaluation tool, performance has on the whole improved. The Committee in particular welcomed the improvement in sickness absence levels and it acknowledged the commitment with which the SLT and Human Resources supported by the efforts of services have set out to address this issue. The Programme, Business Planning and Performance Manager said that PIs and associated targets are the subject of challenge by the SLT, the Executive and the Shadow Executive; this has led to a better understanding of the performance of services and a consequent emphasis on achieving targets. However, more work needs to be done in evaluating performance more holistically so if sickness levels are high or services are overspending, Members need to be able to drive down to the reasons which underlie the data.

It was resolved -

- **Subject to clarifying the respective roles of Scrutiny and the management boards (as referred to in paragraph 1.3.1 of the report) in monitoring performance and securing continuous improvement, to note and accept the areas in which the Senior Leadership Team is managing to secure improvements as set out in paragraphs 1.3.1 to 1.3.5 of the report.**
- **To accept and to note the mitigation measures outlined both within the report and orally in relation to areas identified as underperforming.**

ACTION ARISING: Interim Scrutiny Manager to clarify with the Programme, Business Planning and Performance Manager the respective roles of the Management Boards and Scrutiny Committee with regard to performance monitoring and continuous improvement.

6 BUDGET MONITORING – REVENUE BUDGET QUARTER 3 2016/17

The report of the Head of Resources and Section 151 Officer setting out the financial performance of the Council's services for the third quarter of 2016/17 along with the projected position at year end was presented for the Committee's consideration.

The Head of Function (Resources) and Section 151 Officer reported that the overall projected financial position at Quarter 3 for 2016/17 including Corporate Finance and the Council Tax fund is for an overspend of £16k which marks a significant improvement on the position predicted during Quarter 2. However, an overspend of £756k (0.70%) on services is projected for 31 March, 2017 with the most significant variances occurring in the Lifelong Learning and Children's Social Care budgets where overspends of £700k and £718k are forecast respectively. An underspend is projected on capital financing due to reduced borrowing costs from the Authority's use of surplus cash balances rather than external borrowing on the capital programme. Also, the way in which costs are apportioned has been revised so that the Housing Revenue Account takes on an increased proportion of interest charges thereby reducing the costs on the Council Fund. The revision of charges seeks to apportion costs between the HRA and the Council Fund more fairly; it does not increase risk to the HRA Business Plan which has been prepared on the revised basis. This has generated a one off saving which has contributed towards the delivery of a balanced budget in 2016/17 and it has been taken into account in setting the 2017/8 budget. This cushion will not be available in 2017/18 so any service overspends during 2017/18 could potentially pose a problem. While the current situation could change in Quarter 4 as the pressure of demand continues in Children's Services and in specialist out of county placements in the Lifelong Learning Service, with the winter period and the additional costs

which that can bring having passed, it is envisaged that the overall end of year position will be one of marginal overspend which can be met by the Council's reserves.

The Committee considered the information and made the following points –

- The Committee noted the projected overspends in Children's Services particularly with regard to Looked After Children and in the Lifelong Learning Service in relation to specialist out of county placements. The Committee sought clarification of the Authority's mitigation strategy to deal with the pressure on these services especially in a context where local authority budgets are in effect decreasing year on year. The Head of Function (Resources) and Section 151 Officer said that the pressure experienced by these service budgets is a national problem. Other outcomes within the overall budget have been favourable thereby lessening the effect of the over expenditure in these services. However, the underlying pressure on these two services will continue and could become more acute unless the demand is managed. To that end, greater investment is being made in preventative services e.g. the Edge of Care Team in Children's Services to provide early intervention where it is needed to avert the escalation of cases into the full statutory care system where the costs are high. The Assistant Chief Executive (Governance & Business Process Transformation) and Director of Social Services said that the costs associated with Looked After Children have stabilised over the past 6 to 9 months. The main issue relates to a small number of cases involving adolescent young people who have been on the periphery of the care system whose needs are now such that meeting them can very easily lead to over-expenditure and for whom the outcome might have been different had intervention occurred sooner.
- The Committee noted that only 80.9% of the savings have already been achieved or are deemed achievable during the year suggesting that the contribution of savings to achieving a balanced budget has been overestimated. The Committee questioned whether achieving a balanced budget in 2016/17 was therefore fortuitous in that there were other factors that worked in the Authority's favour; the Committee also questioned whether the delivery of a balanced budget in 2016/17 is of itself a reliable indicator of how resilient the 2017/18 budget is given the ongoing demand and pressures on service budgets and in particular budgets in Children's Services and the out of county element of the Lifelong Learning budget. The Head of Function (Resources) and Section 151 Officer said that services primarily have regard to the bottom line and that it is difficult to assess in what way scrutiny of specific savings would add value if services are succeeding in balancing their budgets. There are certain factors which are outside services' control e.g. a group of children requiring specialist educational placements out of county entered the system in Quarter 3 causing an issue which the Lifelong Learning Services could not have foreseen or planned for. From the Committee's perspective, it should be able to derive assurance from the fact that the General Fund Balance is being maintained at an appropriate level and provides flexibility and mitigation in terms of responding to budget pressures.

The Assistant Chief Executive (Partnerships, Community and Service Improvement) said that services are also working to address the ongoing financial challenges by reviewing thresholds and by looking at the way services are provided and commissioned and by transforming the way some services are delivered. In the case of Children's Services and the Lifelong Learning Service, the reasons for commissioning high cost out of county placements have to be looked at to establish whether the needs of the service users can be met effectively and safely in another more efficient way.

It was resolved to accept and to note the financial performance at the end of Quarter 3 as set out in the report of the Head of Function (Resources) and Section 151 Officer.

NO FURTHER ACTION ARISING

7 BUDGET MONITORING – CAPITAL BUDGET QUARTER 3 2016/17

The report of the Head of Resources and Section 151 Officer setting out the financial performance of the capital budget for the third quarter of the 2016/17 financial year was presented for the Committee's consideration.

The Head of Function (Resources) and Section 151 Officer reported on the actual expenditure to date (£14m) against a capital budget of £52.8m as set out in detail in Table 4.1 of the report. The Officer

referred to the projects that carry the most significant risks with regard to Capital Grant funding as documented in section 3.1.2 of the report and he updated the Committee as to their current status.

The Committee noted the progress made to date and the projected position at year end.

It was resolved to note the progress of expenditure and receipts to date against the Capital Budget.

NO FURTHER ACTION ENSUING

8 FORWARD WORK PROGRAMME

The Committee's updated Forward Work Programme to April, 2017 was presented for information and comment.

The Interim Scrutiny Manager reported that as the Committee was scheduled to consider one matter only at its April, 2017 meeting, the Head of Democratic Services had asked the Scrutiny Chairs and Vice-Chairs' Forum to consider items for consideration by the Committee in April.

It was resolved to accept and to note the updated Forward Work Programme

ACTION ENSUING: Interim Scrutiny Manager to confirm the continuation or otherwise of the April meeting following the meeting of the Scrutiny Chairs and Vice-Chairs' Forum.

In concluding the business of the meeting, the Chair on behalf of his fellow Members, thanked all the Officers who had provided guidance and support to the Committee during the course of the year.

**Councillor R. Meirion Jones
Chair**