

CORPORATE SCRUTINY COMMITTEE

Minutes of the meeting held on 23 November, 2018

PRESENT: Councillor Aled Morris Jones (Chair)
Councillor Dylan Rees (Vice-Chair)

Councillors Lewis Davies, Richard Griffiths, J. Arwel Roberts,
Nicola Roberts

Portfolio Members

Councillors Llinos Medi Huws (Leader & Portfolio Member for Social Services)

IN ATTENDANCE: Assistant Chief Executive (Governance and Business Process Transformation)/Statutory Director of Social Services)
Head of Function (Resources) and Section 151 Officer
Head of Children and Families' Services
Head of Adults' Services
Head of Learning
Head of Profession (Human Resources) and Transformation (CE)
Scrutiny Manager (AGD)
Committee Officer (ATH)

APOLOGIES: Councillors John Griffith, Richard Owain Jones, Alun Roberts, Mrs Anest Frazer (The Church in Wales) Mr Keith Roberts (The Catholic Church) (Co-opted Members) Councillor R. Meirion Jones (Portfolio Member for Education, Libraries, Culture and Youth), Councillor Dafydd Rhys Thomas (Portfolio Member for Corporate Business), Councillor Robin Williams (Portfolio Member for Finance)

ALSO PRESENT: Head of Democratic Services

The Chair welcomed all those present to this meeting of the Corporate Scrutiny Committee. On behalf of the Committee, he congratulated Dr Caroline Turner, Assistant Chief Executive (Governance and Business Process Transformation)/Statutory Director of Social Services on her appointment as Chief Executive of Powys County Council and in wishing her well in her new post, thanked her for her work for the Isle of Anglesey County Council.

The Chair also informed the Committee of a change to the business of the meeting in that he had consented to the deferral of item 5 on the agenda (Schools' Modernisation Programme: Strategic Business Case/Outline Business Case – Expand Ysgol y Graig and Close Ysgol Talwrn) to the Committee's planned 10 December, 2018 meeting.

1 DECLARATION OF INTEREST

No declaration of interest was received.

2 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting of the Corporate Scrutiny Committee held on the 6th November, 2018 were presented and were confirmed as correct –

Arising thereon –

The Chair confirmed that in line with the resolution made by the Committee at its 6th November meeting, a letter dated 14 November, 2018 had been sent to the Welsh Government's Cabinet Secretary for Local Government and Public Services (with a copy to Simon Edwards of the Local Government Finance and Workforce Partnerships Division) to convey the Committee's concerns about the implications of the 2019/20 provisional revenue settlement for the Authority which would leave the Council with a considerable financial gap to make up. The Chair read out the letter in full which in summary urged the Welsh Government to –

- Consider the implications of the provisional settlement on the overall financial position of the Council as part of the process of confirming of the final local government revenue settlement at the end of next month, and
- Ensure additional funding for the Isle of Anglesey County Council in the final revenue settlement.

The Committee in noting the letter sought an update on the Council's financial position in light of the announcement by the Welsh Government's Finance Secretary earlier in the week of an additional £14.2m for local government in 2019/20.

The Head of Function (Resources)/Section 151 Officer said that the main change in the announcement was the provision of additional funding to raise the funding floor so that no council will face a reduction in its settlement of more than 0.5%. Additional resources will also be made available in the form of grant funding to meet the costs of implementing the Teachers' Pay Award as well as pressures in social care and children's social services. Details of the additional money in terms of how it is to be distributed are not yet available – the Welsh Government's draft budget for 2019/20 will in any case have to go through Welsh Government's own scrutiny process meaning that there may be changes as part of that process before the final budget is announced in December.

The Leader said that although on the face of it the additional money is substantial, the amount of money each council will be allocated through formula will be much less – e. g. from the £2.3m additional funding to be made available nationally for children's social services, Anglesey's share determined by formula would be around £45k.

3 PERFORMANCE MONITORING: CORPORATE SCORECARD QUARTER 2 2018/19

The report of the Head of Transformation and Human Resources incorporating the Corporate Scorecard for Quarter 2 2018/19 was presented for the Committee's consideration.

The Leader in reporting that overall the position of the Council against its operational objectives (as agreed collaboratively between the Senior Leadership Team, the Executive and the Shadow Executive) at the end of Quarter 2 is encouraging highlighted the following points for consideration –

- That only 2 Performance Indicators – both in Adults' Services – have underperformed, details of which are provided in section 2.4.3 of the report. With regard to PM20a – the percentage of adults who completed a period of re-ablement and have a reduced package of care and support 6 months later the small number of cases involved is a factor impacting on the performance data; in relation to PAM/025 (PM19) – the rate of people kept in hospital while waiting for social care per 1000 population aged 75+, it is anticipated that the newly commissioned patch based Domiciliary Care contract will

make a significant positive impact on the Quarter 3 data. The SLT recognises the position and recommends the continuation of mitigation measures.

- That Quarter 2 performance in relation to managing sickness absence has improved on Quarter 1 and although slightly below target compared with the same period for 2017/18 is better than the results of 2016/17. Sickness absence for Adults' Services in Q2 has showed a great improvement with the performance being the best it has been over the last 3 years. Likewise the Learning Service has also demonstrated an improvement in sickness absence levels from those in Quarter 1. Both services have been prioritised by the SLT to improve their annual sickness rates further in Quarter 3.
- That with regard to Customer Complaints management, 29 complaints were received compared to 43 in Q2 in 2017/18 with 92% having been responded to within timescale. Within Social Services there were 4 Stage 2 complaints (Adults' Services) and 26 Stage 1 Complaints (Children's Services – 19 and Adults' Services – 7). Of these complaints, a total of 50% have been responded to within timescale (Red on the Scorecard) with 13 late responses – 10 in Children's Services and 3 in Adults' Services. The SLT recommends that the indicators in Children's Services continue to be monitored and that the Service be asked to re-evaluate its complaints management procedure to improve the rate of written responses within timescales.
- That in respect of financial management, the 2018/19 budget is currently forecast to overspend by £2.660m by year end which is an increase on the total overspend in 2017/18. The services that are still experiencing significant budgetary pressures are similar to those in 2017/18, namely Children and Families' Services and the Learning Service. The SLT recommends that regular scrutiny of corporate financial management is continued and the remedial actions are undertaken by the Heads of Service to assist the services in managing within the budgets they are able to control.

The Head of Profession (Human Resources) and Corporate Transformation said that the journey which the Council has made in terms of improving performance over the 6 years since the practice of collating and reporting performance indicators in a co-ordinated and systematic way was introduced, has been significant as testified to by the end of Q2 results which reflect underperformance by only 2 out of 30 indicators at this stage. The Officer said that continuous monitoring is essential in order to maintain performance and that services are proactively managing performance where they can particularly in relation to sickness absence which can be a complicated area and which can be influenced by circumstances e.g. an assessment has shown that the number of staff undergoing or in the process of returning from surgical treatment has been high recently.

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

- The Committee recognised that managing expenditure with Children and Families' Services while still meeting demand is a complex matter and a source of concern as the increasing number of children coming into care continues to drive costs upwards. The Committee also recognised and was assured by the Finance Scrutiny Panel's continued monitoring of Children and Families' Services and the Learning Service as the two most prominent areas of overspending, along with the mitigating measures which the two services are implementing to contain spending.
- The Committee noted that reference is made on a regular basis to the number of children coming into care as the main source of pressure on Children and Families' Services but that information about children and young people leaving the care system and the impact this has is less widely reported.

The Leader and Portfolio Member for Social Services said that both the Resilient Families Team and the Edge of Care Team work with families to prevent children from becoming looked after in the first place. The former also works to facilitate the safe

return of children to their families where that is appropriate. Continued financial provision for the Edge of Care Team has been made in the 2019/20 draft budget in recognition of the ongoing pressures on Children's Service and the need therefore for continued input by the Edge of Care Team.

The Assistant Chief Executive (Governance and Business Process Transformation)/ Statutory Director of Social Services said that a number of strategies which the Service has introduced are now beginning to have an effect. The transfer of the Team Around the Family to Children's Services as part of the Information, Advice and Assistance hub has made a difference particularly in terms of providing an effective front door service. The Resilient Families' Team has also made a significant difference and is an essential component of the prevention and early intervention agenda. More work needs to be done with care leavers as the rise in the number of children being looked after over recent years leads to an increased number of young people leaving care especially in terms of ensuring they are safe and that they have the skills and education for life and a career after care. In relation to managing costs, the Service subject to the Executive's approval, is planning to introduce the Small Group Homes initiative and an enhanced support package for the Authority's Foster Carers which should help reduce cost pressures in the long-term. Specific factors that have had an impact on costs this year are legacy cases i.e. cases that are being re-opened for review as well as large families which together have added to the numbers as well as the costs. The Officer said that currently the number of children and young people being looked after is 160 which is 20 higher than it was 6 to 9 months ago. Although the number appears constant, it is not necessarily made up of the same children – children leave the care system to live with extended families and are replaced by other children who become looked after.

- The Committee noted that in order to evaluate the impact of the work that is being undertaken to return children to their families an analysis of the number of children leaving care as well as those entering the care system would be helpful; this information should be made available to the Children's Services Improvement Panel as well as the Finance Scrutiny Panel. Additionally, an assessment of the effect which the Resilient Families' Team has had at the end of its first year of operation would also be useful.
- The Committee referred to the recent United Nations report on the high levels of poverty in the UK including child poverty and homelessness. The Committee sought clarification of whether the Council has information on whether any of its care leavers are homeless or have experienced homelessness.

The Head of Children and Families Services said that care needs to be taken when using the term "homeless". For example last year, 3 of the Council's care leavers were classified as homeless and whilst the three individuals concerned may not have had a tenancy, they were not homeless in the sense of being rough sleepers. The service has developed a joint protocol with the Housing Services to assess young people which may not have been in care but who come under the "care and support" definition. Digartref also has a 20 bed provision for young people presenting as homeless so that no young person has to sleep on the streets.

The Assistant Chief Executive (Governance and Business Process Transformation)/ Statutory Director of Social Services that the number of young people leaving care who have experienced a period of homelessness in the previous year is one of the Service's measures of performance – for 2017/18 that figure was 5% and for the first two quarters of 2018/19 it has been 4%. Under the Government's definition this could mean a person who may have been in Bed and Breakfast accommodation or who

may be staying with a friend – according to data held by the Housing Service there are no persons sleeping rough on Anglesey's streets and although there may be one or two individuals in specific places - they are there by choice. The provision provided by Digatref through Coedlys in Llangefni and Llys y Gwynt in Holyhead for young people with support needs who may be at risk of homelessness is highly valued.

- The Committee noted with regard to financial management that although Children and Families' Services and the Learning Service are projected to overspend at the end of the financial year, Corporate Finance is expected to underspend by £0.53m and Council Tax, which includes the Council Tax Premium is forecast to collect a surplus of £0.348m thereby reducing the overall overspend to £2.660m. The Committee sought clarification of what assurance the Finance Service is able to give that the forecasted collection rate will be achieved.

The Head of Function (Resources)/Section 151 Officer said that due to the uncertainty in relation to the data for second homes/long-term empty properties a cautious approach was taken and a provision of 80% was initially made in the Council Tax base. Whilst the number of second homes has remained steady, there has been a movement downwards in relation to long-term empty properties. The budget set was therefore less than the Council Tax actually billed thereby leading to a surplus. The Officer said that he was therefore confident that the Council Tax will be collected as forecasted. Over the course of the year the collection rate does tend to reduce as people's circumstances change e.g. people applying for the Single Person's Discount. However the Service has commissioned an external review of single person discount claimants by using publicly available information to establish eligibility. The review has identified claimants that are not eligible for the discount. It is therefore anticipated that the resulting changes will produce extra income as those claimants are billed for Council Tax monies owing.

As regards Capital Financing which encompasses the interest and the Minimum Revenue Provision on borrowing undertaken, as the Capital Programme is underspent, borrowing has not taken place to the level projected in the budget. The Officer said that he was confident that this will remain the position.

- The Committee noted that increasing the Council Tax premium on second homes and long-term empty homes runs the risk of suppressing the collection rate.

The Head of Function (Resources)/Section 151 Officer confirmed that there is a risk particularly with regard to second homes, that second home owners may try to avoid paying the premium by transferring their property to business rates by claiming they are holiday lets. To qualify as holiday lets, the taxpayer must prove to the Valuation Officer that the dwelling is available for let for 140 days and has been let for 70 days in a 12 month period. Although this can be challenged, the Valuation Agency which is accountable to HMRC, lacks the resources to undertake this fully, meaning that some second home owners will make that switch without having met the qualifying criteria. They can also claim small business rate relief. A further risk is that second home owners may claim that the second property is in fact their main dwelling; this can be more effectively challenged up to Tribunal level but doing so means extra work for the Service.

The Officer said that the issue of avoidance arose at the Executive's meeting on 12 November as a result of which it was decided that representations should be made on this matter to Welsh Government. Consequently, a letter has been drafted requesting Welsh Government to press Central Government for more resources for the Valuation Agency to enable it to more comprehensively challenge second home owners

transferring to business rates, and for Government to look at excluding these properties from the small business rates relief scheme.

- The Committee referred to the fact that it had in a previous meeting highlighted Planning Enforcement as an area which would benefit from performance monitoring given there are pressures on the service; it recommended therefore that an indicator for Planning Enforcement be considered for inclusion in the Corporate Scorecard for 2019/20.

Having considered the report and the responses provided by the Officers, it was resolved -

- **To accept the report noting the areas which the Senior Leadership Team is managing to secure improvements into the future as set out in paragraphs 3.1.1. to 3.1.5, and to accept the mitigation measures outlined therein.**
- **To recommend that when Performance Indicators are next reviewed for inclusion within the Corporate Scorecard for 2019/20, the SLT, the Executive and the Shadow Executive consider including an indicator for Planning Enforcement.**

ADDITIONAL ACTION PROPOSED: That the Children's Services Improvement Panel and the Finance Scrutiny Panel be provided with the following information –

- **The number of children/young people leaving care in addition to the number of children/ young people who come into care.**
- **The impact which the Resilient Families Team has had following its establishment a year ago.**

4 EXCLUSION OF PRESS AND PUBLIC

Item not considered.

5 SCHOOLS' MODERNISATION PROGRAMME: STRATEGIC BUSINESS CASE/ OUTLINE BUSINESS CASE – EXPAND YSGOL Y GRAIG AND CLOSE YSGOL TALWRN

Item deferred.

**Councillor Aled M. Jones
Chair**