

MINUTES OF A MEETING OF THE CORPORATE SCRUTINY COMMITTEE HELD AT COUNTY HALL, CHELMSFORD AT 10 AM ON 22 OCTOBER 2013

Present

J Young (Chairman)	Lady Newton (substitute)
W Archibald	P Oxley
M Buckley (Vice Chairman)	J Reeves (substitute)
J Deakin	C Seagers
R Hirst	S Walsh (substitute)
M Mackrory (Vice Chairman)	A Wood (substitute)
V Metcalfe	

Also in attendance was Councillor C Guglielmi.

The following officers were also present in support of the meeting:

Robert Fox	Scrutiny Officer
Graham Hughes	Committee Officer

1. Apologies for Absence and Substitutions

The Committee Officer reported apologies for absence from Councillors S Barker, G Butland, M Page and J Pike (for whom Councillors J Reeves, Lady Newton, A Wood and S Walsh attended as substitute respectively).

2. Declarations of Interest

During discussion on school funding under agenda item 4, Councillor Oxley declared an interest as he was a Governor of Clacton County High School and, during the discussion under agenda 5, Councillor Buckley declared an interest as he worked as a sub-contractor for certain nuclear power stations . No other declarations of interest were made.

3(i). Minutes

The minutes of the meeting held on 23 July 2013, were approved as a true record and signed by the Chairman.

3(ii) Matters Arising

The Committee considered a report (CSC/09/13) providing updates on requests made at the previous meeting for further information on certain aspects of the Corporate Plan. The report was **noted**

- (i) The next meeting of the Scrutiny Board would determine the most appropriate committee to conduct a scrutiny of the Local Highways Panels;
- (ii) More information on uncollected library fines would be sought from the Cabinet Member for Libraries, Communities and Planning;

- (iii) The third meeting of the Procurement Task and Finish Group would be held that afternoon;
- (iv) The membership of the Engaging with Essex Task and Finish Group would be reviewed.

4. 2013/14 Financial Overview as at Half Year Stage

The Committee considered a report (CSC/10/13) providing an updated assessment of the financial position of the Council for the 2013/14 financial year, based upon the position at the half year stage.

Councillor John Spence, Deputy Cabinet Member for Finance, and Margaret Lee, Executive Director for Corporate Services, joined the meeting to introduce the report and to answer questions.

Councillor Spence advised that there were few significant variances against budget and highlighted the following:

- (i) The projected under spend on the capital programme totalled £45.8m (21%) against the latest capital budget of £220.2m. Further slippage had been identified which would fall into the three following financial years;
- (ii) Treasury Management – there had been particular focus on reviewing risk appetite in determining future investment and borrowing levels.

(a) Over spends

It was stressed that it was expected that demand for Adult Social Care services would vary from year to year. Whilst the service was reporting an overall overspend, it was highlighted that this was primarily attributable to a specific overspend of £3m in Working Age Adults Care and Support which was due mainly to domiciliary activity, residential pricing and cash payments demand. Various under spends elsewhere in the service offset this over spend. As the levels of expenditure in Adult Social Care could be volatile, budget profiling was not done on a straight line basis and, instead, recognised greater demand for services in the winter months and profiled accordingly.

An overspend of £874,000 in Economic Growth Infrastructure was mainly within Employability and Skills and attributable to the demand for the Essex Apprenticeship Programme. Mitigating actions were being prepared. However, it was stressed that the Programme offered good value for money and a budget variation may be sought if a decision was taken to continue funding at this level. The Executive Director for Corporate Services agreed to investigate and clarify the current staffing levels in the Employability and Skills service and confirm whether they were sufficient to meet this increased level of activity at present and, in particular, that they were able to prepare an updated Business Plan for the service to address the overspend.

(b) Capital programme

Members expressed concern about the level of the slippage on the capital programme. The Deputy Cabinet Member acknowledged this concern but

stressed that there were often finite limits to what could be achieved within the budget timelines. A meeting would be held the following week to encourage proposals for new capital bids for the financial years 2015 -2020 and to stress that they had to reflect the strategic goals of the County Council.

The Deputy Cabinet Member would be reviewing the Capital underspend to identify any further appropriate mitigating actions that could be taken. He cautioned that there was an opportunity cost if there were financial resources put aside for a project which were not then spent. It was acknowledged that some of the slippage could reflect the significant personnel changes at senior levels in the County Council. However, Members still expressed concern that delayed implementation of many of the projects identified in the capital programme could adversely affect the local economy. Similarly, a forecast under spend of £16.7m in Education and Lifelong Learning could adversely impact on the County Council's aspirations to increase attainment. It was stressed that projects were underway to increase the number of school places that would be available in Essex in future.

(c) Under spends

The under spend for Families and Children in the Revenue budget continued to be due to efficiencies and early delivery of savings within Children's Social Care. Noting this, Members queried whether some other underspends could be as a result of planned efficiency savings rather than failure to spend and what impact underspends generally could have on meeting corporate outcomes. It was **agreed** that the Executive Director for Corporate Services provide further analysis on performance and outcomes against budgetary under spending.

(d) Miscellaneous

During further discussion it was noted:

- (i) That grant funding, the specific example given being PFI, often was received up front and distributed during the life of a project and this would impact the level of reserves by temporarily inflating them until sums were subsequently drawn-down;
- (ii) That the PFI contract for Clacton County High School had been complex and had raised a number of issues and challenges for resolution.
- (iii) That the Deputy Cabinet Member was satisfied that the Finance Team had taken a prudent approach to the level of reserves;
- (iv) That there was usually long contractual time periods for s106 funded highways and transportation schemes although it was possible that some s106 monies could be returned if contractual time limits were exceeded before completion of the project. It was **agreed** that the Audit Committee would be asked to investigate this further.
- (v) That monies not spent by Local Highways Panels (LHP) had been re-allocated to Highways Maintenance. 900 schemes had been put forward by LHPs which had put excessive pressure on the Highways Design Team. The Deputy Cabinet Member welcomed the establishment of a Task and Finish Group to look at the operation of LHPs and how the process of

recommending highways projects could be improved. It was confirmed that communications had been sent to Parish Councils advising them on the process to be followed in getting highways projects recommended through the LHPs;

- (vi) That the surplus reported by Essex Legal Services in the Trading Activities Report would be a direct charge on the County Councils revenue account which would be offset by the surplus in the trading account;
- (vii) That schools converting to academies received a larger per capita share of central support costs than was nominally allocated to them if they remained controlled by the County Council. A budgetary over spend would occur if large numbers of schools continued to convert to academy status;
- (viii) There could be a trend in schools placed in special measures subsequently converting to academy status, together with another trend for groups of schools to establish consortiums. Further scrutiny of the trends in the profiles of schools converting to academies would be referred to the People and Families Scrutiny Committee;
- (ix) That the Financial Overview did not include any proposals to change staffing levels.

5. Corporate Plan Progress Report

The Committee considered a report (CSC/11/13) providing a Quarter 2 update on the 2013/14 Corporate Plan. Councillor J Spence, Deputy Cabinet Member for Finance, and Margaret Lee, Executive Director for Corporate Services, remained in attendance to introduce the report and to answer questions.

During discussion the following was noted and/or highlighted:

- (i) Members noted the significant improvements in the percentage of the population with level 2 and level 3 qualifications or higher (aged 16-64 years) and it was **agreed** that further information on this would be provided to members;
- (ii) Members noted the significant increase in the percentage of adults with Learning Difficulties who lived in their own home/with family;
- (iii) In the past 12 months to March 2013, CO2 emissions from ECC buildings and activities had increased by 25%, despite an ambition to reduce by 5%. It was suggested that this was partly as a result of bad weather, improvements in data collection and a change in methodology that now included certain electrical usages (which had a disproportionate affect as they often were more carbon heavy than gas usages). MITIE had been instructed to draw up an improvement plan;
- (iv) Members provided anecdotal evidence that new flats were not being included in domestic recycling collections;
- (v) Members highlighted that local authority schools may be incurring higher heating bills than necessary due to inadequate insulation. It was **agreed** to refer this to the Scrutiny Board for a view on the potential for a future scrutiny;
- (vi) Members queried whether the County Council recorded any carbon offsetting and whether it could consider alternative electric sources;

- (vii) Members suggested that it was difficult to assess whether marginal percentage increases were a reliable measure of success in the report. Furthermore, it was possible that a high percentage change could arise disproportionately from having a low base of numbers in a particular indicator. It was suggested that SMART targets and other specific indicators of success needed to be included in the analysis so that performance could be clearly assessed, together with an indication of volume. It was confirmed that the presentation of the Corporate Plan was already under review to ensure that the right outcomes and targets were included so that performance could then be seen in context and judged. A report on the revised presentation was due to be submitted to Cabinet in early 2014;
- (viii) It was acknowledged that, in future, the Corporate Plan would need to reflect the outcomes of the County Council's public consultation on Youth Services in Essex;
- (ix) It was **agreed** that the Governance Officer would write to the Cabinet Member for Education and Lifelong Learning to seek assurance that all schools, governors and youth organisations had been included in the consultation on youth services ;

Thereafter, the Chairman thanked the Deputy Cabinet Member for Finance and the Executive Director for Corporate Services for attending and they then left the meeting.

6. Capita Resourcing Update

The Committee considered report CSC/12/13 providing an update on the April 2012 to April 2013 "New Starters Survey" results. Councillor Louis, Cabinet Member for Transformation and Corporate Services, Adam Bowles, Director for Human Resources, and Maxine Taylor, Head of Corporate HR, joined the meeting to introduce the report and to answer questions.

Since the last summary report in July 2012, the contract with Capita had been extended until September 2015. The re-tender process would start in January 2014. The New Starters Survey results were a summary of outcomes from the Temporary Customer Survey and Permanent Customer Survey which were sent out to candidates on a monthly basis. A summary of data outlining responses for April 2011 to September 2013 had also been provided to show longer term trends. In particular, there had been a 49% increase in the response rate on returned surveys year on year. The vast majority of responses were either 'good' or 'met'. Compared to the previous year, there had been a sizeable shift from 'met' responses to 'good' and no responses had been measured as 'very poor'. The HR team remained focussed on achieving further improvement.

Members questioned if survey scores would reflect whether candidates had been successful or not.

It was confirmed that there was a separate bespoke process for senior officer appointments. Whilst there were similar surveys undertaken by candidates for

these senior appointments, it was more difficult to draw particular conclusions due to the smaller number of candidates responding.

It was acknowledged that the report provided did not provide an analysis of the cost of recruitment and the value for money of the recruitment process. The Chairman suggested and it was **agreed** that such analysis could be included in the scrutiny being undertaken by the Procurement Task and Finish Group.

Thereafter, the Cabinet Member and supporting officers were thanked for their attendance and they left the meeting.

8. Work Programme

The Committee considered and **Agreed** the Forward Look/Work Programme 2013/14 (CSS/13/13) subject to the following:

- (i) Health and Safety: John Ray Infant School: would be referred to Place Services Policy and Scrutiny Committee to reflect the likely wider remit of the scrutiny. It was recommended that a Joint Task and Finish Group be constituted with members drawn from both committees;
- (ii) A scoping document to be drawn up to look at the parameters of a potential scrutiny of investment strategy in the Essex Pension Fund.

9. Date of Next Meeting

The next meeting would be held at 10am on Tuesday 26 November 2013 in Committee Room 2.

There being no urgent business the meeting closed at 11.36 am.

Chairman
26 November 2013