

# BUSINESS OVERVIEW AND SCRUTINY COMMITTEE

Tuesday, 18 September 2018

Present: Councillor P Hackett (Vice-Chair in the Chair)

Councillors	C Blakeley	C Spriggs
	T Cox	J Stapleton
	D Elderton	T Usher
	K Hodson	KJ Williams
	A Leech	S Williams
	J McManus	G Wood
	D Mitchell	

Deputy: Councillor C Muspratt (In place of S Jones)

## 13 APOLOGIES FOR ABSENCE

Councillor Pat Hackett welcomed everyone to the meeting, which he was chairing as the appointed Vice-Chair. He thanked the former Chair, Councillor Mike Sullivan for all his work on the Committee, who had had respect on all sides.

Councillor Chris Blakeley then sought guidance from the Director of Governance and Assurance, Philip McCourt, on the situation with regard to the Committee membership following the resignation of a Member of the Labour Group.

Philip McCourt advised that the Committee membership was determined by Annual Council at its meeting in May with appointments being made by nomination by the respective political groups to the Proper Officer. As Councillor Sullivan had resigned the Labour Whip, the Leader of the Labour Group had nominated another Labour Member to replace him. Council at its next ordinary meeting would receive a report on the new political balance of the Council in accordance with the Local Government (Committees and Political Groups) Regulations 1990.

The Chair announced the intention to bring the March meeting forward because of the pre-election period and that this would be confirmed at the next meeting.

There was one apology from Councillor Sharon Jones for whom Councillor Christina Muspratt was deputising.

The Chair, with the consent of the Committee agreed that the order of business be varied and items 7 and 10 on the agenda be heard consecutively.

#### 14 **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST / PARTY WHIP**

Members were asked to consider whether they had any disclosable pecuniary interests and/or any other relevant interest in connection with any item(s) on this agenda and, if so, to declare them and state the nature of the interest.

Members were reminded that they should also declare whether they were subject to a party whip in connection with any item(s) to be considered and, if so, to declare it and state the nature of the whipping arrangement.

Responding to a question from Councillor Chris Blakeley, the Director of Governance and Assurance, Philip McCourt, advised Councillor Blakeley that he did not have to declare an interest either personal or prejudicial in agenda item 5, 'Early Impact of Universal Credit' as he worked for the MP for Tatton in her constituency role and with no financial interest in her role as Secretary of State for the Department of Work and Pensions.

Councillor Dave Mitchell declared a personal interest in agenda item 4, 'Financial Update', by virtue of him being a governor of one of the schools referred to in the capital monitoring part of the report.

Councillor Anita Leech declared a non-pecuniary interest in agenda item 5, 'Early Impact of Universal Credit' by virtue of her membership of the Leasowe Community Homes (Prima) Board.

#### 15 **MINUTES**

Members were requested to receive the minutes of the Business Overview and Scrutiny Committee meeting held on 4 July, 2018.

Councillor Anita Leech queried in respect of minute 12, 'Appointment of the Highways Representation Panel', the appointment of Councillor Mike Sullivan to the Panel and it was agreed that this would be addressed at the next meeting of the Committee.

**Resolved – That the minutes of the meeting held on 4 July, 2018, be approved.**

#### 16 **FINANCIAL UPDATE**

Jenny Spick, Senior Manager, Financial Planning and Policy, introduced the report of the Director of Finance and Investment which set out the Council's revenue and capital monitoring position for 2018/19 quarter 1. The report also provided details of the Medium Term Financial Strategy 2019/20 to 2022/23 and preparation of the budget for 2019/20.

The quarter 1 revenue report showed an £88,000 underspend for Business. The quarter 1 capital report showed an expenditure of £2.1 million on a programme of £43.5 million.

Jenny Spick gave a presentation to the Committee which included further details on:

- The 2017/18 outturn
- The 2018/19 budget
- Key dates in the lead up to the setting of the 2019/20 budget.

Responding to comments from Members, Jenny Spick stated that she did not have any details on the West Kirby Flood Alleviation capital spend but that she would find out more and furnish Councillor Elderton and the Committee with the information. The increased legal fees of £1m relating to Children's Services were in respect of the rise in the number of Looked after Children during 2017/18. The cost of £0.5m for vacant buildings was in respect of the rationalisation of buildings and their disposal which sometimes took longer than expected while costs such as business rates and security would still have to be paid. A Member suggested that vacant buildings could be used by social enterprises for hosting events and that there could be many exciting and innovative proposals to be explored.

With regard to the capital spend of £86.4m for 2018/19 and only £5m having been spent in the first quarter, she referred to the preparatory work which needed to be undertaken to schedule the spend with different programme managers. There were also some large capital programme projects which would happen towards the end of the year. In respect of the style of the report, she stated that more tailored reports would be provided for Overview and Scrutiny committees in the future and acknowledged the need to provide any financial presentations in advance.

She was not aware of when the Leisure Services review would be announced. In terms of business rates and the building of new homes she acknowledged the balance which needed to be struck between the building of new homes and the need to maintain easy access and parking for small shopping areas.

The Chair invited Councillor Stuart Whittingham, Cabinet Member for Highways and Transport, to respond to questions on the current spend from the Pot Hole Action Fund, with only £33,000 of the £563,000 having been spent in the first quarter. Councillor Whittingham stated that he did not have the most up to date figures to hand but that information was now available on the Council website as to those roads where action had been taken to fill pot holes. Information could be provided on how much was forecast to be spent in the second quarter.

With regard to the £305,000 as commercial settlement with BAM Nuttall, Jenny Spick confirmed that this was for the purchase of assets and equipment which the Council required for operational need when the Highways Maintenance contract returned in-house from 1 October, 2018. Philip McCourt, Director of Governance and Assurance, informed the Committee that the contract for Highways Maintenance had involved a very complex series of negotiations and a more detailed briefing on this could be provided to the Member.

**Resolved – That the report be noted.**

## 17 EARLY IMPACT OF UNIVERSAL CREDIT

The Chair introduced a report (deferred from 4 July, 2018 meeting) which set out the findings arising from two scrutiny workshops held in February 2018 to consider the early impact of Universal Credit in Wirral. The workshops were commissioned by the Chairs of the four Overview & Scrutiny Committees in the 2017/18 municipal years and were open to all Overview & Scrutiny Members.

The report was originally scheduled to be presented at the Business Overview and Scrutiny Committee meeting on 27 March 2018. As this meeting fell in the pre-election period, it was agreed by the Chair that the report would be deferred to the first meeting of the municipal year.

The first workshop was held on 20 February, 2018 with key senior council officers to get a better understanding of Universal Credit and the impact it had on operational services. The second workshop was held on 27 February, 2018 and looked at Universal Credit from the perspective of a number of external organisations and Council teams that engaged with residents over Universal Credit.

Nicola Dixon, Business Unit Manager, Transaction Management gave an update on the current operational situation following the migration to Universal Credit Full Service. She was able to share the key points emerging from the DWPs most recent Universal Credit Update Bulletin:

- Supported Accommodation Consultation outcome – housing costs to remain with Local Authorities.
- Managed migration programme commences 2019, for those in receipt of specific legacy benefits and extends through to 2023.
- Further provision for those in receipt of Severe Disability Premium.
- Universal Credit Advances – may now be made on-line.
- Corporate Appointees – present process in place under review as an identified need for improvement.

Responding to comments from Members Nicola Dixon stated that only 25% of people referred by the DWP for Personal Budgeting Support, the service facilitated by the Council's One Stop Shop Customer Service Advisors and funded by the DWP, were turning up for their appointments but acknowledged that the section would struggle to deal with the numbers if all the clients did turn up. With regard to the impact on veterans she would need to seek further information from the Homelessness section as to the effect. Work was ongoing with partner agencies with continued close liaison between Customer Service leads and the DWP at a local level. Housing Benefit staff had supported the local Job Centre staff in the initial transition to Full Service, with particular regard to supporting their clients in securing any entitlement to Council Tax Support. A lot of work was taking place front of house to try and help those people anxious or possibly daunted by the process of making applications for Universal Credit 'on-line' and managing their 'account' on-line with arrangements in place at libraries and One Stop Shops to this end.

Responding to further comments Nicola Dixon commented that there was a relatively recently published Liverpool City Region Welfare Reform Impact report which encompassed Universal Credit which Members might find helpful in understanding the nature and any extent of reported impacts. She also advised that the national DWP / Local Authority Welfare Steering Group minutes and terms of reference, might equally be of interest to Members and could be accessed at the relevant LA pages on 'Gov.UK'.

Primarily the matter of take-up of Council Tax Support, now a local as opposed to national scheme was noted as a continued matter of concern particularly given the need to apply for this separately and in addition to making a Universal Credit claim. Nicola Dixon advised that this matter was consistent across the majority of Local Authority areas and was something which practitioners were actively trying to address.

A Member stated that the numbers entitled who were not claiming was quite significant and that there was plenty of scope for further scrutiny.

Another Member suggested that although the DWP's constitution prohibited their staff from attending political forums, an officer from the DWP could be invited to come along to give an update but without being subject to questioning.

The Chair suggested that they could alternatively be invited to a future workshop.

A Member suggested that the Scrutiny Review should be circulated to all Overview and Scrutiny Committees and representations should then be made to the LGA.

On a motion by Councillor Tom Usher, duly seconded, it was –

## **Resolved –**

- (1) That the suggested actions in Appendix 2 to the Scrutiny Review, including those ‘asks of the Government’, be agreed as recommendations from this Committee and an officer write to the Government, with regard to those particular recommendations.**
- (2) That the Scrutiny Review should be circulated to all Overview and Scrutiny Committees and representations should then be made to the LGA.**
- (3) That the proposal to schedule further scrutiny workshops in the municipal year and consider the areas of scrutiny focus be agreed, including an invitation to officers from the DWP to attend.**

## **18 USE OF CONSULTANTS AND INTERIMS**

Liz Hammond, Interim Director for Change and Organisational Design, introduced a report which had been requested by the Chair and Party Spokespersons in relation to the Council’s use of interims and consultants in the past two years. The report focussed on the engagement of interims and consultants in the financial years 2016/17 and 2017/18.

The current agency contract was managed through Matrix SCM who operated a ‘managed service’ on the Council’s behalf, acting as a ‘broker’ with the wider recruitment market to ensure best value and the right candidates were put forward for temporary placements. The contract was the result of a collaborative tender process within the LCR, contracted to March 2021.

In 2011, Wirral Council employed 5,010 full time staff, in September 2018 it was 3,252. In less than eight years, the Council's workforce had reduced by 35% (1,758). The Council no longer had spare capacity and resources among its permanent workforce to be able to deliver projects outside of its normal day to day work. A workforce reduction of that scale would bring a major impact on any organisation, in any industry. The Council was coping with this reduction in permanent staff in part through the targeted use of temporary staff where needed. From the Council’s perspective, whilst there were agency fees, an interim appointment did not carry pension or other on-costs (approximately 28% for directly employed staff) or any long-term cost to the organisation.

In response to comments from Members, Liz Hammond stated that it was not a simple calculation as to how much interims were being paid to divide the net cost by the number of interims in each year, as some might be more senior and others more junior. Fixed term contracts were an option but the

necessary skills weren't always available under this option as specialists in certain fields preferred to work as consultants or interims.

Some Members commented that Councils generally needed to stop paying large amounts of money to consultants who appeared to be on a 'merry-go-round' of ripping off Councils. A Member suggested a column could be inserted in the list of interims showing the day rates which were being paid to each interim. Liz Hammond suggested that this could be misleading as it was not a like for like comparator.

A Member expressed concern at the Matrix system used to recruit staff and the need to look beyond this as evidenced by the recent recruitment difficulties within Planning Development.

Another Member suggested the need to look at the reasons why there were difficulties recruiting in some areas of the Council and why people had chosen to leave. Liz Hammond responded that there was a national trend within Children's Services of a shortage of staff and a poor Ofsted report would not have helped the Council's reputation in the market.

Responding to further comments, Liz Hammond stated that Wirral Council was not out of kilter with other local authorities in its use of Interims / Consultants. The numbers for 2018/19 were likely to be similar to this year's.

The Chair thanked Liz Hammond for her presentation to the Committee.

Councillor Dave Mitchell then moved:

"This Committee makes a recommendation to the Audit and Risk Management Committee and the Cabinet stating that a ceiling should be set on the amount consultants and interim staff are paid, and this should reflect the national pay grades for such work."

The motion was not seconded and was therefore not put to the vote.

Another Member suggested that the Council should look outside of the Matrix system when recruiting specialist staff.

Philip McCourt suggested that the Interim Director could be asked to look into the possibility of some of these suggestions before the Committee made a decision.

**Resolved – That the Interim Director of Change and Organisational Design prepare a report for a future meeting outlining the possible benefits and dis-benefits of setting a ceiling for the amount consultants and interim staff are paid, reflecting the national pay grades for such work; the possibility of recruiting from outside of the Matrix agency**

**system if the Council is unable to recruit the specialists it needs; and of adding a column in to the list of interims / consultants showing the day rates next to each post, prior to the Committee reaching any decision on the matter.**

## **19 COMMERCIAL STRATEGY SCRUTINY REPORT**

The Chair introduced Stuart Bellerby, Senior Manager, Commercial Approach, who spoke to the Scrutiny Review report on the Council's Commercial Strategy. The report set out the observations, findings and recommendations arising from a scrutiny workshop held in August 2018 to undertake pre-decision scrutiny of the Council's Commercial Strategy. The Workshop was commissioned as part of the Business Overview & Scrutiny Committee's agreed work programme for the municipal year.

A Member suggested that recommendation 3 of the report should be to receive presentations quarterly. Stuart Bellerby queried this suggestion and whether this should be in relation to recommendation 4. Having clarified this suggestion for quarterly reporting it was then -

**Resolved – That the contents and recommendations arising from the Commercial Strategy Scrutiny Workshop be supported as follows:**

- (1) That officers and Cabinet consider the content of this report prior to approval of the Commercial Strategy.**
- (2) To acknowledge the importance of Wirral's commercial approach moving forward, it is recommended that Member development should also include commercialisation training.**
- (3) The Business Overview & Scrutiny Committee should receive presentations by the Investment and Change Board and the New Commercial Ideas Panel as part of its work programme to understand how they operate and to scrutinise their effectiveness.**
- (4) The Business Overview & Scrutiny Committee should receive quarterly reports detailing the progress made to deliver the Council's Commercial Strategy. This should include reporting on income received under its remit and details of whether targets have been met or not.**

## **20 LEADER DECISION REFERRAL - CODE OF PRACTICE FOR GOVERNANCE OF COUNCIL INTERESTS IN COMPANIES**

Following the publication of a Leader decision, Philip McCourt, Director of Governance and Assurance, introduced a report which set out the approach to the governance of the Council's subsidiary companies and, in particular,

the part that the introduction of a Council Code of Practice for the Governance of Council Interests in Companies had in promoting and ensuring good governance in relation to those company interests.

The Code set out:

- the law and guidance which governed how local authority companies were to be established and run;
- the way in which a local authority might wish to organise its company interests;
- how those interests might be best governed according to a set of principles;
- how decisions would be taken as shareholder;
- how scrutiny was to be conducted, where there was a scrutiny function and where there was not; and
- how regulatory matters and conflicts of interest might be best managed.

In response to Members' comments, Philip McCourt suggested that the Code would normally be adopted by the Cabinet rather than Council, though it maybe something that the Council could comment on. The draft Code was also being considered by the Audit and Risk Management Committee. It was a very complex issue and he would be happy to give a training session to Members on this. The Council had corporate responsibility in so far as any shareholder would but the company had responsibility as a legal entity in its own right.

**Resolved – That this Committee notes the role of the Code of Practice and the principles within it, in relation to the Council's own Code of Corporate Governance and agrees that a training session provided by the Director of Governance and Assurance be held, open to all Members.**

## 21 **UPDATE ON LIVERPOOL CITY REGION DEVELOPMENTS**

The Chair introduced a report of the Acting Corporate Director of Strategy and Partnerships which set out a brief overview of latest developments at the Liverpool City Region (LCR). These included:

- Supporting Year of Action in the Environment 2019 across LCR
- LCR Digital Infrastructure Action Plan Update
- LCR Joint Activity to Assess Implications of Brexit.

**Resolved – That the report be noted.**

## 22 **2018/19 QUARTER 1 WIRRAL PLAN PERFORMANCE**

Carl Gurnell, Team Leader – Performance and Scrutiny, introduced a report which provided the 2018/19 Quarter 1 (April - June 2018) performance report

for Wirral Plan pledges under the Business theme. The Quarter 1 report was included as Appendix 1 to the report, and provided a description of the progress in Quarter 4, including available data in relation to a range of outcome indicators and supporting measures.

Responding to comments from Members, Carl Gurnell stated that the data collected to measure visitor numbers was through a nationally recognised model with a lot of Wirral intelligence coming via nationally published statistics. A copy of the survey used to gather these statistics could be provided for the Committee, including the surveys undertaken on cycling.

A Member suggested that the Council's Culture Team could provide an update on culture, tourism and heritage with a more Wirral focussed slant and information on income generation.

A Member queried the indicator on the creation of jobs provided by the Wirral Chamber of Commerce and the statement that a number of firms were expecting phased growth / recruitment in the next two quarters, having recalled that this was something promised some time ago and the need for the Committee to be mindful of this.

Carl Gurnell responded by explaining that when job creation figures previously lagged behind target, the job targets were still met and in fact Wirral Chamber had always met their job creation targets previously. It was often the case that there was a lag in job creation due to the requirement to collect all necessary documentation to evidence the figures and as a funding requirement for the interventions taking place.

A Member expressed delight at the reduction in the indicator for those seriously injured or killed in road traffic accidents down to 6 in this first quarter compared to 25 in Q1, 2017/18.

**Resolved – That the report be noted and further information be provided to a future meeting as requested.**

## 23 BUSINESS OVERVIEW & SCRUTINY WORK PROGRAMME REPORT

The Committee considered a report from the Chair which explained the process of developing and managing a scrutiny work programme for the current municipal year.

In respect of the Camper Vans scrutiny review, the Chair asked for volunteers for the Task and Finish Group. Councillor Steve Williams nominated Councillor Lesley Rennie and Councillors Pat Hackett and Dave Mitchell volunteered themselves.

**Resolved – That the proposed Business Overview and Scrutiny Committee work programme for 2018/19 be approved and that nominations for the Camper Vans Task and Finish Scrutiny Review be confirmed as above.**