

# **Cabinet Member Question and Answer Session**

## **Scrutiny Committee**

**Date: 21 March 2016**

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Author: Cabinet Member for Finance, People and Performance  
Wards: All  
Locality Affected: All  
Parishes Affected: All

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### **1. Purpose and Reasons**

- 1.1 The purpose of the report is to provide the Scrutiny Committee with an opportunity to question the Cabinet Member for Finance, People and Performance, on his portfolio responsibilities and performance.
- 1.2 A key purpose of the Scrutiny function is to hold the Cabinet to account and ensure that Council and Health partners' priorities and performance are being delivered.
- 1.3 Members of the Committee are reminded that all Members of the Cabinet are required to come before the Scrutiny Committee to take part in a Question and Answer session that will focus on the full remit of their portfolio. Scrutiny Committee is therefore encouraged to focus Question and Answer sessions with Cabinet Members on specific topics and/or services in order to avoid duplication.

### **2. Recommendations**

The Committee is recommended to:

- 2.1 Take note and put relevant questions to the Cabinet Member for Finance, People and Performance, and decide if any further action is required.

### **3. Detail**

- 3.1 The Leader of the Council has assigned the following responsibilities to the Cabinet Member for Finance, People and Performance,:
  - 3.1.1 Financial Management (Revenue and Capital Programme)
  - 3.1.2 Finance Management Overview
  - 3.1.3 Preparing Future Year's Budget and Medium Term Financial Plan
  - 3.1.4 Procurement
  - 3.1.5 Human Resources, Personnel & Trades Union Relations (including Staff Nursery)

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Further information on the subject of this report can be obtained from Stuart McKellar, Direct Dial 01793 463300, [smckellar@swindon.gov.uk](mailto:smckellar@swindon.gov.uk).

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- 3.1.6 Schools HR
- 3.1.7 Revenue and Benefits Services,
- 3.1.8 The Council's Demand Management Agenda including Stronger Together
- 3.1.9 Corporate Performance Management
- 3.1.10 Risk Management, and
- 3.1.11 Developing welfare and benefits policy.

## 4. What have you done well?

### 4.1 Financial Context and Management

- 4.1.1 The Council continues to do exceptionally well in managing its budgets within a shrinking financial envelope and, in line with previous years, services are again predicted to be delivered within the Council-wide cash limit.
- 4.1.2 Strong budgetary control across the organisation has allowed management action to be taken in-year to ensure most Departments can deliver their services below budget to help offset pressures within Children's Social Care linked to a national shortage of social workers and care placements that has led to higher prices and an increased reliance on more expensive agency staff. Despite this national problem and unlike many councils providing children's social care across the Country, Swindon has a well-managed overall financial position.
- 4.1.3 Finance continues to play a leading role in identifying innovative options and driving change to assist the overall financial position. To support this, the Finance team was extended in 2015 to encompass Procurement plus a new Change team to equip it support the organisation to deliver more complex changes.
- 4.1.4 During 2015-16, the joint Finance and Change team have been developing coordinating and supporting significant change programmes across the Council. Working alongside lead officers and their teams, they are developing approaches and solutions that will make a significant contribution to delivering the Vision for Swindon whilst delivering £19m of 2016-17 Budget savings, including £8.6m through complex change programmes.
- 4.1.5 The new team of Programme Managers, Business Analysts and Project Managers is relatively small costing £0.3m. However it is now focused

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on a wide range of opportunities across the Council focused on three main areas;

- Going Local – Parish Enhancement, Community/ Cultural Assets Transformation and Town Centre Management.
- Building Resilience- Managing Demand for Vulnerable Adults, Safeguarding Children and Supporting Families; and;
- Fit for Purpose Services – Waterside Service/ Site Improvements and Supporting and Developing the Workforce.

4.1.6 In 2015-16, the team also absorbed technical project responsibility for all highways and major infrastructure improvements required for New Eastern Villages.

4.1.7 Throughout 2015-16, the team has also led work with Cabinet Members to developing options for redesigning the whole Council operational model to enable long term sustainable delivery by 2020.

4.1.8 2015-16 has seen the successful completion of a number of key capital schemes, notably the following;

- Holy Cross Primary School
- Tadpole Primary School
- Redhouse Community Centre
- Refurbishment of the Plus One shared space with Wiltshire Police
- St Marks Recreation Ground new pavilion
- The demolition of various sites as part of the Council's regeneration programme.

## **4.2 Procurement**

4.2.1 During 2015-16, the Procurement team have successfully implemented significant changes to the Councils procurement process and procedures as a result of an overhaul of European and National Procurement rules that were incorporated into legislation through the Public Contract Regulations (2015). As a result of these changes, there was a need to focus a significant amount of procurement resources to update the Councils standard procurement documentation and guidance.

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- 4.2.2 In addition, Standing Orders relating to Contracts were updated in November 2015 in partnership with the Director of Law and Democratic Services, to reflect the changes in procurement legislation, best practice, and to meet statutory requirements. A programme of training was implemented to instruct officers with responsibility for procurement on the new procedures along with the issue of step by step guidance documentation.
- 4.2.3 The team has also implemented the procurement requirements of the Local Government Transparency Code 2015 and provided support to successful high value programmes of work in-year including in the areas of Construction, IT, Housing, Demolition, Public Realm improvements and Commissioning.

## **4.3 Corporate Performance Management**

- 4.3.1 Following the introduction of the Vision for Swindon and subsequent priorities and pledges, a set of 59 measures and targets have been introduced in order that members, residents and stakeholders can hold the Council to account for the deliver of the Vision, Priorities and Pledges. These measures and targets relate to the specific activity that the council has committed to as part of the vision and gives people the opportunity to see how well we are performing. A copy of these measures and targets can be found at Appendix 1 and were agreed by Cabinet in February.
- 4.3.2 The Performance Dashboard which holds the performance measures and targets will be launched to the public in the new municipal year. Developed with an American company called Socrata, it is in on-line dashboard form and aims to offer residents, staff, members and interested parties a single version of the truth in terms of our performance. It will hopefully be of use to Scrutiny Committee and the Overview and Scrutiny committees at Q&A sessions and in helping to decide areas of policy development and scrutiny.

## **4.4 Risk Management**

- 4.4.1 There has been considerable activity in this area in the last twelve months. A new risk and performance officer was appointed in August and since then our risk management processes have undergone significant revision to make them more accessible and understandable, to focus on fewer key risks and to integrate risk within the planning, performance and reporting processes.
- 4.4.2 New format risk summaries are incorporated within all 2016-17 Business plans and these summaries are quality assured with further

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advice and assistance provided where necessary. Training on risk management is now included as part of the induction for new managers.

4.4.3 A new system of considering risk has been introduced with quarterly reviews at CMT and LAG addressing performance alongside risk. This process has been adopted from quarter three of the current financial year.

4.4.4 The efficiency and effectiveness of these risk management processes will be subject to review by Internal Audit early in 2016.

## 3.4 Human Resources, Personnel & Trade Union Relations (including Staff Nursery)

4.4.5 There has been considerable change in the People Development function over the last twelve months with a number of management changes which have streamlined the management of the function and added additional capacity to support heads of service with the workforce challenges they face. Despite the turbulence, a great deal has been achieved and some important building blocks are now in place to ensure that our workforce are capable, competent and motivated.

### *Performance Framework*

4.4.6 Last October, a cross-section of council services piloted the new Performance Framework, an online system for evaluating and managing individual performance. The system was well received and helps managers to have constructive performance conversations with their staff. It ensures that both staff and managers consider both what has been achieved and how it has been achieved, with a 50/50 split on values/ behaviours and objectives.

4.4.7 A number of changes have been made as a result of the pilot and the framework will be rolled out to all staff from 1 April 2016 with a three month performance window for completion to the end of June.

### *Swindon Manager*

4.4.8 Also in April this year, the Council will launch Swindon Manager, a competency based programme to support managers within the Council to fulfil their roles. The programme is based around eight key competencies managers are expected to have to fulfil a basic management responsibility. The programme allows managers and their line manager to self-assess their ability against the competencies and then commit to a training programme for any areas where they may be deficient.

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- 4.4.9 The programme will be offered to all new managers joining the Council, along with a two-day Swindon Manager induction, which outlines the objectives and basic content of the programme. In April it will also be rolled out to four council departments, with a further four joining the programme in October, with a view that it is rolled out to all departments by April 2017.

*HR policy refresh*

- 4.4.10 Over the last year, we have been working with managers and union representatives to update and streamline many of our HR policies which were either out of date, too cumbersome to implement or not in keeping with the strategic direction of the organisation. There is an agreed refresh timetable and the hope is that this will streamline and bring up to date our policy framework. The work to date has proved to be an excellent example of constructive working between union colleagues, *managers and people development officers*.

*JCC and Facilities Time Agreement*

- 4.4.11 This year we have successfully negotiated the Facilities Time Agreement with our union colleagues and this was agreed by Full Council in late February. The Agreement outlines the role of union representatives, the time allowable for union duties and the processes to be followed when union representation is required.

## 4.5 Revenues and Benefits Service

- 4.5.1 During 2014-15 the 'in-year' collection rates for Council Tax and Business Rates both improved (from 97.4% to 97.7% for Council Tax and from 98.3% to 98.4% for Business Rates). The Council continue to collect monies during the following financial years and ultimately collect 99%. As at the end of February 2016 both the Council Tax and Business Rates in year collection rates were ahead of those achieved as at the end of February 2015.
- 4.5.2 Telephoning of Council Tax customers prior to the issuing of summonses, in addition to the issuing of text reminders to mobile telephones, has helped increase the collection rate. It has also helped reduce the number of Council Tax summonses that have had to be issued. During 2013-14 14,024 summonses were issued and in 2014-15 this reduced to 11,016. As at the end of February 2016 8,817 summonses have been issued in 2015-16 compared to 10,367 at the same time in 2014-15. The number of debts referred to Enforcement Agents (Bailiffs) also appears to be reducing and since this is one of the Council's Pledges (number 24) the Revenues and Benefits team are working to reduce this further. As at end of February 2016 5,495 debts

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had been referred compared to 6,845 at the same time in 2014-15. If summonses are issued and court orders obtained the Council Tax payers concerned incur £100 court costs and if Enforcement Agents visit these residents this incurs a further £310 costs. The work to reduce the need for such recovery action will save these residents, who may be struggling to pay their bills, incurring the £410 costs. The improved Council Tax collection rates appear to be offsetting the reduced court cost income that the Council is receiving and the costs of telephoning.

4.5.3 Since 16th February 2015 the Department of Works and Pensions (DWP) has started to implement the Universal Credit benefits system in the Swindon area. Universal Credit replaces a number of income related Benefits such as Job Seekers Allowance, Employment Support Allowance, Income Support, Working Tax Credits, Child Tax Credits and Housing Benefits. Initially only new single person claimants, who would otherwise have claimed Job Seekers Allowance, are being asked to claim Universal Credits. In order to provide assistance to residents who need to make claims, the Council has entered a Partnership Agreement with DWP. This helps provide support to those that need help making online applications and to those needing help with budgeting.

4.5.4 Since most claimants are asked to make applications online, the Libraries are helping anyone who needs assistance getting online. Payments under Universal Credit are made monthly and also include payments to help with Housing costs, and so some individuals need help budgeting. Budgeting Support is being provided by the Citizens Advice Bureau.

## 4.6 Welfare and Benefits Policy

4.6.1 A multi-agency group, chaired by the Cabinet Member for Finance, People and Performance, continues to meet quarterly to discuss the impact of the range of Welfare changes on local people and ensure that all statutory and voluntary agencies are taking action to support financially vulnerable residents. Despite reduced Government funding, it is hoped that this group will be able to provide additional support in the future, helping to reduce the impacts on public sector services.

4.6.2 A study of financial deprivation was undertaken and showed the types of householders and areas within the Borough where such additional support was needed.

4.6.3 Emergency assistance is provided for those on low incomes and in crisis through the Council's Local Welfare Fund (Swindon Emergency Assistance Fund) and through Discretionary Housing Payments. The

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Local Welfare fund provides emergency food, heating, lighting, furniture, white goods and clothing. The Discretionary Housing Payment scheme helps those who cannot afford to pay the shortfall between their rent and their Housing Benefit entitlement and helps claimants move to smaller properties, where they wish to move.

- 4.6.4 A successful bid for £50,000 additional funding was made to the One Swindon Board to assist in delivering Welfare Projects. A new post of Social Inclusion and Welfare Manager has been created. The post holder will work with all the One Swindon Partners and Voluntary Sector Partners in delivering projects that will reduce dependency and vulnerability in Swindon.

## 5. What would you do differently?

- 5.1 There have been numerous examples of good practice across the Council in relation to engagement and consultation with union colleagues during periods of change. However, there have been a couple of times when we might have engaged with the unions earlier to work together to develop solutions to some of our more difficult challenges. A workshop between union representatives, officers from the people development function and some senior managers has been held recently with a view to try to develop a better framework and shared understanding for engagement and consultation with the unions. The outputs from the workshop will inform the contents of a new “Managing Change” policy which is due for review in the new municipal year.

## 6. What are the challenges facing the portfolio?

- 6.1 The biggest single challenge within the portfolio is around supporting the organisation to move to a more financially sustainable position by 2020. Over the next four years, the Council needs to reduce costs, generate new income or avoid predicted cost pressures to the tune of between £60m and £80m.
- 6.2 There are some legislative changes in relation to our workforce that may well present a challenge for the Council. The introduction of the national living wage and the Apprenticeship Levy, while welcome in terms of staff welfare and opportunity, will present a considerable challenge for both the council and its partners and suppliers. However, I am confident that the plans we have in place will mitigate any risk and allow us to fully exploit the opportunities presented by the Apprenticeship Levy in a way which is fair and equitable for our workforce.
- 6.3 We are also expected, through legislation, to report on our gender pay gap on an annual basis from April 2017.

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- 6.4 Given the scale of the changes occurring across some of our services, there is considerable pressure on the People Development service and this needs to be carefully managed across the year.
- 6.5 The key strategic challenge will be to deliver the 2016-17 budget without significantly impacting service users in an adverse way. The financial pressures facing councils are expected to be greater in the years to come than have been experienced to date. This is going to require a much greater engagement with the electorate to help manage expectations and work with local community to identify new local forms of service provision.
- 6.6 Predicting the level of funding available to feed into medium term financial plans is particularly challenging in relation to business rates income. Although local authorities can benefit from increases in business rates received, the ongoing issue of predicting valuation appeals is widely recognised to be a barrier to effective financial forward planning.
- 6.7 The Department of Works and Pensions have announced that the full Universal Credit system is to go live for all new working age claimants in December 2016. This will now include couples, families and Employment Support Allowance claimants. This and the reduced Benefit Cap of £20,000 per annum, which is due to be introduced in the Autumn, will mean that many more claimants will require support, using online systems and with budgeting. The new Social Inclusion and Welfare Manager and the multi-agency group mentioned above will help in ensuring that other services are available to offer further assistance to those that are impacted.
- 6.8 Under the Government's transparency agenda, in 2017 councils are required to publish increased levels of procurement information and the updated Public Contract Regulations including revised EU directives are expected to come into force. These changes will require existing procurement processes and local practices to be updated and adopted across the organisation.
- 6.9 A substantial number of high value, high risk procurement and commercial activities are due to commence during 16/17, particularly in the areas of Adult Social Care, Housing, Waterside based services, IT and Highways. Officers from the Procurement team have been allocated to support the successful delivery of these commercial work streams.
- 6.10 It is expected that further changes resulting from the EU procurement regulations, such as the requirement to accept European Single Procurement Documents, will require further work to the procurement procedures during 16/17.

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## 7. Priorities for 2016/17

### 7.1 Key priorities for 2016-17 are:-

- 7.1.1 To enable the Council to agree a new Council Plan 2016-2020 which will pull together the Council's plans towards the delivery of the Vision over the next four years as well as spelling out in broad terms the ways in which we will do that while ensuring the financial sustainability of the Council.
- 7.1.2 To further develop, build understanding and gain approval for an updated Financial Strategy to 2020 that sets out the key milestones and changes to be implemented over the coming years.
- 7.1.3 To support the organisation to produce and deliver detailed implementation plans to deliver the first tranche of the work to move to a financially sustainable organisation by 2020.
- 7.1.4 To refresh of *Stronger Together* which is now five years old and, while many elements remain entirely relevant, the position of the Council has changed as has its ambitions. It is therefore important that we refresh *Stronger Together* to ensure that it is fit for purpose for the next four years.
- 7.1.5 To develop a People Strategy which will outline our approach to the development of our workforce, our recruitment and retention strategy and our management and leadership development requirements to 2020.
- 7.1.6 To develop a revised Emergency Assistance Welfare Scheme that is accepted by partner organisations and supports those most in need within a reduced funding envelope provided by Central Government.
- 7.1.7 To ensure that new procurement rules are understood and embedded in processes adopted across the organisation.
- 7.1.8 To provide effective support for residents who have to make Universal Credit claims and those impacted by Welfare Reforms (such as the reduced Benefits Cap).
- 7.1.9 To coordinate Multi-Agency Support for Welfare Projects, which will assist in reducing vulnerability and Dependency. It is hoped that in addition to improving the lives of the residents, this will reduce the demands and cost on Public Sector Services.
- 7.1.10 To prepare for significant changes to the format and timing of the statutory accounts, which are to be brought forward by 2 months.

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## 8. Alternative Options

- 8.1 The Committee can choose not to operate a Cabinet Portfolio Q & A session system.

## 9. Implications, Diversity Impact Assessment and Risk Management

### Financial and Procurement Implications

- 9.1 There are no direct financial or procurement implications arising as a result of this report. Any expenditure arising as a result of an item on the Committee's work programme will be met by the Overview & Scrutiny Support budget, subject to the approval of the Committee.

### Legal and Human Rights Implications

- 9.2 Section 21 of the Local Government Act 2000 (as amended) requires every Local Authority to establish an overview and scrutiny function to hold the Executive to account, undertake policy development and review, monitor and improve performance.

### All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 9.3 There are no other direct implications arising as a result of this report. Any further implications will be identified when a topic is reviewed by the Scrutiny Committee and in any recommendations made by the Scrutiny Committee.

### Diversity Impact Assessment

- 9.4 No Diversity Impact Assessment is required at this stage as this report proposes no changes to services. Any DIA that is required during review of topics included within the work programme will be identified at the appropriate stage.

### Risk Management

- 9.5 No risk management issues have been identified at this stage. Any risk management issues will be identified at the appropriate time when a topic is under review by the Scrutiny Committee and if it makes any recommendations.

### Consultees

- 9.6 The Board Director Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

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## **10. Background Papers**

10.1 None

## **11. Appendices**

11.1 Appendix 1 Background, Policy, Strategy and Governance.