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KIRKLEES COUNCIL

CORPORATE SCRUTINY PANEL

Friday 12th April 2019

Present: Councillor Gulfam Asif (Chair)
Councillor James Homewood
Councillor Hilary Richards
Councillor John Taylor
Councillor Will Simpson

Co-optees Philip Chaloner
Linda Summers

In attendance: Councillor Graham Turner, Cabinet Member, Corporate
Eamonn Croston, Service Director Finance
Jayne Healey, Employee Health Care Manager
Ben Hodgson, Strategic Category Manager
Janine King, Employee Health Care Partner
Jane Lockwood, Head of Procurement and
Commissioning Support
Deborah Lucas, Head of People Services
Julie Muscroft, Service Director Legal, Governance and
Commissioning

Observers: Nathan Paul

1 Minutes of the Previous Meeting

The minutes of the meeting of the Panel held on 29 November 2019 were agreed as a correct record.

2 Interests

No interests were declared.

3 Admission of the Public

It was agreed that all agenda items would be considered in public session.

4 People Strategy (Staff Wellbeing)

Deborah Lucas, Head of People Services presented a report which provided an update on the Health and Wellbeing strand of the Kirklees People Strategy, which had been launched in November 2017, and how staff are being supported to be healthy and well in the workplace. She answered Members' questions along with Jayne Healey, Employee Health Care Manager and Janine King, Employee Health Care Partner.

Deborah explained that:

- The Employee Health Care Unit had transformed its more traditional, reactive approach to become a proactive targeted service providing; early intervention

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and prevention; a focus on staff wellbeing rather than absence; and a holistic view of wellbeing including physical, mental and financial support.

- In addition, a modernised 'wellbeing offer' had been developed which encouraged self-care and included the facility for employees to self-refer to a range of services.
- These changes had achieved a steady fall in levels of sickness absence across the Council since their introduction.
- Partnership working with agencies such as the NHS and Public Health was of great value.
- There were a number of plans and ambitions for the future including achieving SEQOHS (Safe Effective Quality Occupational Health Service) accreditation and recognition as a Centre of Excellence for Occupational Health Care.
- Visits by Members to the centre at Rowan Bank were welcomed.

Key points from the Panel's discussion and responses to questions were as follows:

- The service would aim to continue to reduce levels of sickness absence; the average across the public sector was currently 8 ½ days per annum.
- Any trends or 'hotspots' in data were monitored and, if necessary, work would be undertaken to establish if there was a root cause.
- Training was being provided for managers to help them to consider any impact that might arise from workplace culture and in supporting staff wellbeing. Work was also being undertaken with schools to develop processes to better support staff.
- The Service was working with Public Health and an application had been made for additional funding to roll-out the Mental Health First Aid Course as additional training for managers, to help them in identifying issues at an early stage. Use of the 'WRAP' mental health tool was also being considered.
- In terms of how often work related stress was cited as a cause of mental health absence; it was explained that mental health was often complex, involving multiple contributory factors and, in addition, individuals may be reluctant to report issues with work as a reason for absence. There were also issues in terms of confidentiality. More work was needed in respect of how data on the contributory factors was captured and also in increasing staff confidence in reporting work as a factor. The new approach may assist in gathering better detailed information.
- There were now a significant number of Wellbeing Champions in the organisation and this was considered to be an effective way of finding out what the situation was at 'grassroots' level in different service areas. The Service also worked closely with Human Resources. If a hotspot area was identified this could be addressed, perhaps by offering resilience training to staff.

RESOLVED -

- (1) That Deborah Lucas, Head of People Services; Jayne Healey, Employee Health Care Manager and Janine King, Employee Health Care Partner be thanked for their informative presentation.
- (2) That the proactive and positive work being undertaken by People Services and the results being achieved be welcomed.

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- (3) That it be noted that the work strand of the Kirklees People Strategy focussing on 'Attraction and Retention' will include a review of the induction process.
- (4) That it be requested that future reports include information on; the development and progress of the 'Workplace Wellbeing Champions' initiative; the development of work to identify and address any areas of particular pressure within the organisation; and a breakdown of the sickness figures into long term and short term absence.

5 Cabinet Member End of Year Update

Councillor Graham Turner, Cabinet Member for Corporate attended the meeting to update members on the progress made on his priorities for the 2018/19 Municipal Year.

Councillor Turner noted that lot of the work detailed in his report would be ongoing for at least one more year and invited questions from Members.

Key points from the Panel's discussion and responses to questions were as set out below:

- The official launch of 'Woven' was to take place the following week at the Textile Centre of Excellence; it was anticipated that this would be an excellent initiative promoting a positive message about the district and its ongoing involvement in textile manufacturing.
- In response to issues raised in respect of the impact on library volunteers and cover, particularly during Summer months, it was explained that the £300,000 budget saving for 2019/20 would not necessarily have to be achieved through front line staffing; amongst other things there were plans to outsource the home delivery service which would bring about substantial savings. It was stressed that volunteers were much valued and would continue to be supported. It was hoped that having a clear plan for the future would help provide more stability and certainty for volunteers. Workforce planning, for example in respect of holiday times, was a challenge for all organisations and this situation would be managed.
- Libraries had a much wider remit than ever before. In addition to loaning books they provided a safe space and a hub for local communities and offered added value in a number of ways. They would continue to be protected and developed. Kirklees had been recognised as having a good operating model.
- Illustrative figures, in respect of footfall for example, to show the impact of initiatives and provide some context in terms of the targets, could be included in the next update report.
- It was noted that International Knitting in Public Day was on 8th June.
- The reasons for the current difficulties in high street retail were considered to be more complex than just an increase in online shopping; work was being undertaken to try and understand the situation and to consider what could be done to address the decline whilst recognising that there were a number of things that the Council could not control, such as the level of business rates.
- It was accepted on a national basis that provision of a better cultural offer led to better footfall.

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- The Council could try and assist retail businesses to access opportunities to utilise technology, and advice and support was available to local businesses if they required it; this would include referrals to appropriate agencies. The overall improvement of the district's digital infrastructure was in progress.

RESOLVED -

- (1) That Councillor Graham Turner be thanked for attending the meeting to present his report to the Panel and answer Members' questions.
- (2) That it be requested that the next update to the Panel include some narrative to illustrate whether projects had achieved their aim, such as increased footfall or an increase in creative and digital start-up businesses; whether this was to the extent that had been anticipated; and the wider impact of any achievements.

6 High Level Overview of Quarter 3 Financial Monitoring Report and Other Key Financial Management Updates

The Panel received a report in respect of the issues arising from the Quarter 3 Financial Monitoring Report 2018/19, as reported to Cabinet on 19 March 2019, and other key financial management updates.

Eamonn Croston, Service Director Finance presented the report highlighting the following points:

- The reported overspend in Quarter 2 had now been brought down in Quarter 3 to a forecast of just over £1 million. This was due to a number of factors including, at national level, Government recognition of the continuing pressure on high needs education spending, which had led to additional in-year funding, and a one-off redistribution of surplus business rates of just over £1 million. There was also an impact from the ongoing work being undertaken by Service and Budget Managers and recalibration throughout the year. By year end it was anticipated that there would be a break-even position.
- Reports would be submitted to Cabinet and Council in June/July on the year end position and the refresh of the 5 Year Capital Plan. No revenue rollover was anticipated.
- Post 2020 there was no certainty about the national funding position which made forward projection difficult. There were two ongoing consultations in respect of potential redistribution of national funding: the Fair Funding Review and the Business Rates Retention Review. It was noted that there had been considerable feedback in respect of a proposal to remove the deprivation factor from the Foundation Formula which would have a significant impact on urban councils. The reviews were intended to lead to firmer proposals later in the year. At this stage Kirklees had kept a relatively neutral forecast position in the recently approved budget proposals.
- The Chartered Institute of Public Finance and Accountancy (CIPFA) Resilience Index gave a benchmark and context, comparing the level of reserves with other metropolitan local authorities. This indicated that the Authority's current position was not outside the norm. The position on reserves would continue to be reviewed consistently going forward.

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Key points from the Panel's discussion and responses to questions were as follows:

- The information in the Resilience Index was anonymised, it just gave a relative position. The level of reserves held by each authority was a judgement call and depended on the local context and circumstances as well as the commonalities.
- It was reassuring that new issues were not arising and the pressures were being both anticipated and managed.
- It was acknowledged that there had been a significant in-year overspend in respect of school transport. The base budget provision had been increased to address a structural deficit; there was also an impact on this budget from some of the demand led factors. There was an approved saving in the plans, consideration of which would include review of the overall provision and outcomes.
- It was recognised that the re-profiling of the Capital Plan needed to be realistic to ensure the authority had the capacity to deliver its ambitions within the timescales. Consideration was being given to undertaking a baseline study of project management capacity and efforts were being made to recruit or commission the necessary technical expertise and support. There was a reserve of £4 million in the budget to support strategic investment including buying in extra development capacity.
- In respect of slippage in relation to the one-off information technology projects; a number of the costs had not yet materialised but when they did they would be capitalised, there would be no impact on the revenue budget. A significant proportion of the cost of design work related to staff and technical expertise. A prudent level of resource had originally been set aside to support the upgrade of IT systems to ensure GDPR compliance; some areas were still coming through although the figure may ultimately be smaller than originally anticipated.
- In terms of Treasury Management some slippage was assumed, at a prudent level, but this would be reviewed on an ongoing basis.
- In respect of the 'Housing Growth' priority within the Housing Revenue Account, there had been some unforeseen delays relating to larger scale developments but in-year delivery of properties was still happening.
- Over recent years the levels of ad-hoc or short term funding at national level had increased; it was acknowledged that the local government sector needed a longer term sustainable funding solution but until this was in place the authority would have to continue to manage the budget accordingly.
- Procurement did look at due diligence for contractors (undertaking capital schemes) and there was a robust process of assessment but sometimes issues occurred that were outside the Council's control.
- CIPFA's Resilience Index provided some reassurance, with Kirklees being placed towards the centre point. Until there was some clarity about the national funding position the level of reserves would always be a matter of judgement.

RESOLVED –

- (1) That Eamonn Croston be thanked for his comprehensive report.

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- (2) That further detail be provided to Members in respect of the Leeds City Region Revolving Fund.
- (3) That a future report include information in respect of the management of the Capital Plan in terms of re-profiling and the availability of resources and capacity to deliver its ambitions.

7 Procurement Update

The Panel received a further update in respect of procurement including activities in relation to social value/local wealth building and the implementation of the new procurement operating model.

Jane Lockwood, Head of Procurement and Commissioning Support presented the report with the following highlights:

- 15 of the 20 vacancies in the team were now filled.
- The headlines from the final CLES (Centre for Local Economic Strategies) report were encouraging and indicated a significant increase in the levels of local spend albeit the methodology used by CLES was slightly different.
- CLES had made a number of recommendations; and a cross department group had been established to review and prioritise these for Kirklees and to develop an action plan, including timescales for implementation.
- The tracker produced in conjunction with Deloitte as part of the transformation project had been for that moment in time and it was noted that the savings were not attributable solely to procurement activity as such.
- For the future, the new Procurement Measures Tracker would assist procurement in being more transparent; showing what had been done and where value had been added. A populated tracker could be submitted to a future meeting of the Panel.
- Examples of effective procurement exercises were outlined.
- Feedback mechanisms had been introduced for stakeholders and suppliers on their experience in dealing with the team with results also being passed back to commissioning colleagues.

Julie Muscroft, Service Director, Legal, Governance and Commissioning was pleased to report that the Procurement Team had recently been nominated for three UK National GO Awards.

Key points from the Panel's discussion and responses to questions were as follows:

- The workshop held in March had been very helpful and had provided clarity on a number of issues including how much spend came back into the local area.
- The level of work being undertaken by the team was evident and congratulations were offered on the award nominations.
- Information in respect of the level of savings achieved and the level of local spend should be shared more widely.
- At this point the data was not available that would make it possible to pinpoint any particular areas of the authority where local spend was at a lower level.
- The multiple effect of local spend in terms of the local economy was recognised.

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- It had been anticipated that the broader analysis beyond the top 300 suppliers would have generated a higher percentage figure for local spend; however if the data was properly cleansed it was considered highly likely that this would have been the case.

RESOLVED -

- (1) That Jane Lockwood, Head of Procurement and Commissioning Support; Julie Muscroft, Service Director – Legal, Governance and Commissioning and Ben Hodgson, Strategic Category Manager be thanked for attending the meeting and that the shortlisting of the Procurement and Commissioning Support Service for three UK National GO Awards be welcomed.
- (2) That a populated Procurement Measures Tracker be submitted to a future meeting of the Panel.
- (3) That an update report be considered for inclusion on the Panel's Work Programme for 2019/20.

8 Review of 2018/19 Work Programme

RESOLVED - That Members notify the Principal Governance and Democratic Engagement Officer of any suggestions for potential items for consideration for inclusion in the Panel's 2019/20 Work Programme.