

FINANCE AND SERVICES SCRUTINY COMMITTEE

20 September, 2012

PRESENT: Councillors Beall, Mrs Blake, Bowles, Chilver, Douglas-Bate, Jarvis, Khan, Isham, Rand and Tyndall. Councillor Edmonds attended also.

APOLOGIES: Councillors N Blake, Cooper, Patrick, A Ward and Mrs J Ward.

1. ELECTION OF CHAIRMAN

RESOLVED –

That Councillor Chilver be elected Chairman of the Committee for the remainder of the Council year.

2. APPOINTMENT OF VICE CHAIRMAN

RESOLVED –

That Councillor Rand be appointed Vice Chairman of the Committee for the remainder of the Council year.

3. DECLARATIONS OF INTEREST

Councillor Tyndall declared a personal interest in agenda item number 9 as his wife was employed by Aylesbury Vale District Council.

4. QUARTERLY PERFORMANCE DIGEST: APRIL TO JUNE 2012

The Council's new Corporate Plan had been adopted in October 2011 and set the direction for the administration up to the elections in May 2015. The Corporate Plan was based on four themes:-

- Improving our communications and interaction with our customers.
- Protecting and improving the living experience of the Vale.
- Delivering efficient and economic services.
- Growing the economy of the Vale.

There were a number of objectives that needed to be achieved for the four themes to be realised. Progress in achieving these actions and targets would be reported quarterly to the Scrutiny Committee. Members were informed that following Council's decision to move to three new Scrutiny Committees the remit of this Committee was broader than the Resources and Corporate Performance Scrutiny Committee.

All actions were on target apart from the following two which had not achieved all their milestones for this quarter and were highlighted with a red triangle in the appendix:-

- (i) **Build and market Gateway conference facility** – Conference Centre income from external bookings for the period from opening in May until 20 July had been £3817.40. Flood damage had slowed down use and marketing of the facility. The damage had now been repaired and the marketing plan was underway, with bookings being taken from new users such as the NHS. It was anticipated that new clients would have received the new marketing

brochure in advance of the conference season, which usually commenced in September. Bookings were also being taken by word of mouth recommendations.

- (ii) **Identify opportunities for generating advertising revenue** – an interim report had been produced on existing advertising opportunities within existing policies. The next phase would need to check whether the review of policies, e.g. planning to see if this would release opportunities or create new ones, had been delayed due to staff capacity and the need to focus on the new recycling and waste roll-out.

Members sought additional information and were advised:-

- (a) that the marketing brochure for The Gateway conference centre was now available on the Council's website and in hard copy. It was also planned to target marketing of the conference facilities with appropriate companies.
- (b) that use of the Gateway café by staff had been better than initially anticipated. Data was not available on use of the café by the public. Detailed information on usage would be required before a tendering process to operate the café was undertaken in the future.
- (c) that information would be reported back to Members on whether the insurance claim for flood damage to the Gateway café had included recovery of costs for loss of business.
- (d) on the arrangements that were made on particularly busy days for the conference centre to ensure that sufficient car parking was available close to The Gateway.
- (e) on the work being done to improve the approach signage and access to The Gateway car parks.
- (f) that Members would be consulted on any proposals to reduce or stop those services that added little value to customers before any changes were made.

Members also commented that the Council should be doing more to publicise that the café was open to the public, such as placing an advertisement in the Aylesbury Vale Times.

RESOLVED –

That the contents of the Quarterly Performance Digest (April to June 2012), insofar as they apply to the work of the Finance and Services Scrutiny Committee, be noted.

5. QUARTERLY FINANCE DIGEST – APRIL 2011 TO MARCH 2012

The Committee received a report on the Council's financial performance for the period from 1 April 2011 to 31 March 2012, which detailed the year-end and outturn positions against the Council's budget. The Finance Digest had been circulated separately to Members of the Resources and Corporate Performance Scrutiny Committee in June 2012, although Members had not come back with any questions.

Members were informed that the outturn position for 2011/12 was an underspend of £613,193, compared to a budgeted use of balances of £445,000 and was £122,000 greater than the predicted underspend used in the Medium Term Financial Plan (MTFP) when the budget for 2012/13 was set.

The underspend figure would have been higher if not for a shortfall in income of £62,000 from building control fees and lower than expected income by £214,000 for car parking income. Discretionary rate relief costs associated with the Aquavale and Swan Pools and further security costs at the TRW site prior to its demolition had reduced the underspend.

The position comprised a number of ups and downs for individual services although improved budget monitoring throughout the year had ensured that action was taken to counter the effects of the economic downturn. The actual contributions to balances was £132,215 due to Council approving a special £35,978 use of balances to fund one off costs associated with HS2.

The report included details of the year-end position against portfolios, and for the top 5 services that had exceeded and fell short of their budget targets. The budget had also included a 2% target for salary savings, which equated to approximately £400,000. This figure had been exceeded by £115,315 during the year.

Within the outturn position were transfers from reserves equal to £4.7 million and transfers to reserves of £2.4 million, making a net transfer out of reserves of £2.3 million. The largest transfers from reserves were the £1.8 million from the Property Sinking Fund, which had been used to fund some of the costs for refurbishing the Aquavale swimming pool.

Members sought further information and were advised on some of the reasons for the underspend, in particular relating to sweeping and cleansing, and parks, pitches and open spaces.

RESOLVED –

That the contents of the April 2011 to March 2012 Quarterly Finance Digest be noted.

6. QUARTERLY FINANCE DIGEST – APRIL TO JUNE 2012

The Committee received a report on the Council's financial performance for the period 1 April to 30 June 2012, which detailed the current position after the first quarter point of the year, together with the latest estimate of the expected outturn. Copies of the latest Quarterly Finance Digest (pink cover) had been circulated separately and Members referred to this document whilst considering the report.

Members were informed that budget holders had re-forecast their expected outturn position in a couple of areas due to activity changes in the first quarter. This related to grant discretionary relief of £48,000 on the Aquavale and Swan Pool swimming pools for which there was no budgetary position, and a shortfall in car park income at the Walton Street multi-storey car park and at Buckingham. The reduced income related to a general downturn in usage along with both car parks suffering from vandalised machines. These machines were being replaced with tamper proof ones.

The Digest detailed an expected year end overspend against the budget of £394,000. This year's budget again included a 2% target for salary savings, which equated to £400,000. No savings had been found towards this target during the first quarter.

Budget holders would continue to monitor closely areas that were influenced by the wider economic picture. Development Control and Building Control income had already anticipated shortfalls in income of around £150,000 and £75,000 respectively. They would also be asked to regularly review all of their areas and to re-forecast their

budgets, both positively and negatively, in order to have as accurate a year end possible for the September (mid-year) digest. Historic trends tended to indicate that the outturn position would improve as the year progressed, although this experience was mainly from times of more certainty.

Members sought further information and were advised:-

- (i) that the Council was talking with the manufacturer of the car parking ticketing machines that had been vandalised so that they could be strengthened against the risk of future attack.
- (ii) that the Council was concerned about the impact that the extension of permitted development rights would have on development control income. Officers were currently assessing the impact and would report on it in the next quarter's Finance Digest.
- (iii) that the budget for Parks, Pitches and Open Spaces had been underspent for the first quarter due to a number of savings across a range of services, in particular utility and horticultural contract costs. However, it was still too early to forecast whether there would translate into an underspend for the whole year.
- (iv) that information would be reported back to Members on usage information for the bowling green at Aquavale.
- (v) on the current position regarding expenditure of Local Authority Business Growth Incentive (LABGI) monies, and that expenditure to assist in promoting economic development and growth was currently a very high priority for the Council.
- (vi) on details of how the Aylesbury Special Expenses account operated.

RESOLVED –

That the contents of the April to June 2012 Quarterly Finance Digest be noted.

7. LOCALISED COUNCIL TAX BENEFITS

The Resources and Corporate Performance Scrutiny Committee had received a report to the 11 April 2012 meeting and had noted the action being taken by the Council to develop a localised scheme. The Scrutiny Committee had asked Cabinet to give it a further opportunity to comment on the proposed localised scheme before it was reported to full Council.

The Scrutiny Committee received a copy of the report that had been submitted to Cabinet on 18 September 2012 and was informed that the report, and previous reports, to Cabinet had explained the background and timetable to the introduction of a new localised form of Council tax Benefit from April, 2013. Agreement had been reached on an outline scheme for the purposes of public consultation (which had now been completed). The results of the consultation were appended to the Cabinet report. Based upon the previous consideration and the consultation, further work had been done to develop the proposed scheme for Aylesbury Vale and a draft was also appended to the Cabinet report. A draft equalities and cohesion impact assessment had also been completed and was submitted to the meeting. Any decision on the implementation of the proposed scheme had to be made by full Council in October, in order for the scheme to be included in the Council Tax Base calculation. A final decision to formally adopt the scheme would need to be taken after the Bill had received Royal Assent – probably in November 2012.

It was proposed that the scheme should consist of a reduction in the level of Council tax demanded from a liable person on the basis of a means test. Support could be applied for by any person who:-

- was liable for Council tax on their sole or main residence which was situated within the boundaries of Aylesbury Vale District council.
- was not subject to the Government restrictions on support from persons abroad.
- did not possess capital of £6,000 or greater.
- had a household income of a level that was below that identified by the scheme as being sufficient to enable Council tax to be paid in full without the granting of support.

The income of the person applying for support, and that of their partner if they had one, would be compared with the amount the Council calculated they need to live on before paying Council tax, (to be called a needs allowance). Where the level of household income was less than the needs allowance, maximum support would be granted. Where the level of household income was greater than the needs allowance, the level of support granted to the person claiming support would be reduced by 20% of the excess.

The needs allowance of people who were disabled, who had young children or who were working would be increased. The level of maximum support granted would never be more than 90% of the Council tax liability before Council Tax was applied.

Before any support could be granted under the scheme, the liable person had to make a claim and provide to the Council all the documents, certificates, evidence and information that the Council required to confirm entitlement to support. People receiving support would be required to notify the Council of changes in their circumstances.

A discretionary pot would be established to grant additional support to people with particularly challenging individual circumstances but who would not otherwise fall under the protection given to vulnerable groups.

The protection provided to vulnerable groups by the proposed scheme meant that just under half of the reduction in Government grant would not be passed on to people claiming support. This had a direct cost of £41,000 to AVDC.

The reduction in support granted by the new scheme compared to that given under the current Council Tax Benefit arrangements would increase demands upon the Council's recovery team. However this should be offset by the simplification of the claiming and administration process of the scheme itself, allowing some re-allocation of resources.

As with any significant change, there would initially be increased public contact with the Council from people impacted by the new arrangements and their representatives. This would require short term additional resource within the Revenues and Benefits Service, but this would be funded by a Government grant given specifically for this purpose, rather than from the Council's existing budgets.

On 18 September 2012, Cabinet had resolved –

- (1) That the details of the Council Tax Support Scheme be agreed insofar as Cabinet was concerned.
- (2) That Council be recommended to agree the scheme in principle as the scheme to be adopted for Aylesbury Vale, pending Royal Assent being given to the Welfare Reform Bill.

Members requested further information on the proposed scheme and were advised:-

- (i) that subject to Cabinet and full Council's agreement, the preferred public Localised Council Tax Support scheme would continue to be developed and refined. Arrangements would also be put in place for all existing recipients of Council Tax Benefits to have their entitlement to the new support automatically calculated prior to the issuing of the Council tax bills for the 2013/14 financial year.
- (ii) that AVDC would be responsible for cost recovery under the scheme, as the local billing authority.
- (iii) that Parish Councils were not liable for bad debts if Council tax was not collected. Any bad debts were shared between the major precepting authorities.
- (iv) that administering the new scheme would be slightly easier. If necessary, this would allow some resource to be shifted to assist with cost recovery activities.
- (v) that the Council had only had a very limited time in which to carry out consultation on the Scheme. Legislation had not been enacted until July, which had meant that public consultation had to be carried out in August to enable a decision to be made by Council in October.
- (vi) that consultees had included voluntary organisations such as Age UK and Age Concern, and had also been picked up and advertised on Mix 96.
- (vii) that the £6,000 capital limit used for means testing, did not include personal possessions such as cars.
- (viii) that the Government would be providing Council with some funding, for a limited time, to assist with introducing the new Scheme.
- (ix) that approximately 11,000 people in Aylesbury Vale were currently eligible to claim Council tax benefit, with about half of these being pensioners.
- (x) that the new local claim form for Council Tax benefit had been reduced from 26 pages to 2 pages, which would assist in reducing the number of invalid claims received.

The Committee thanked Officers for the work that they had done, at short notice, to put the new scheme together, and to consult on it.

RESOLVED –

- (1) That the details of the Council Tax Support Scheme as proposed by Cabinet, and which would be reported to full Council on 17 October 2012, be noted.
- (2) That Council be recommended to agree the scheme in principle as the scheme to be adopted for Aylesbury Vale, pending Royal Assent being given to the Welfare Reform Bill.

8. SICKNESS ABSENCE MANAGEMENT IN AVDC

The Resources and Corporate Performance Scrutiny Committee had considered a report on sickness absence management in AVDC at their July 2011 meeting and had asked that a further report be submitted to the Scrutiny Committee in 12 months time.

The absence rate during 2011/12 had fallen for the second year running to 8.37 days per full-time employee (FTE), which was a decrease of 4.78% and further built on the previous years' success of a 20.5% reduction. This was against the backdrop of a reduced 'target', which had been set at 6.5 days for future years.

Absence in Recycling and Waste (which includes the Workshop) had increased by 96 days (5.5%) over the period and represented 42% of the Council's sickness absence. The main reasons for this absence were muscular/skeletal, back problems and injury, which together accounting for over half (54.7%) of the absence in this section. At the same time, stress accounted for 12.8% of cases in Recycling and Waste, contrasting with 20% across the Council as a whole. Stress related absences had increased over the past two years.

Members were informed that despite the high level of absence in Recycling and Waste, Officers did not believe that there was an endemic sickness absence problem at AVDC. This was because two thirds of all sickness absence was taken by just 66 people and just 10 people were responsible for more than a quarter (26.9%) of all sickness. Targeted action was being taken in relevant individual cases.

If the absence data for Recycling and Waste was removed from the Council's overall total, the rate would reduce to 5.99 days per FTE. This was below the new target and compared very favourably with office based sickness absence rates in both the private and public sector, according to the Chartered Institute of Personnel and Development (CIPD).

Managers had been asked to ensure that sickness absence management remained high on their agendas, particularly tackling individual cases of absence. The People and Payroll Section would continue to provide hands-on support to managers through case conferences and encouragement, so that they could continue to follow the protocols dedicated to reducing sickness absence.

More robust action was being taken in response to the increase in stress related absence. People and Payroll were advised immediately when someone reported sick with stress and managers needed to conduct an individual assessment as soon as possible and, in any event, within 6 weeks of the first day of absence. Training in the management of stress would be mandatory for all officers responsible for managing staff absent for reasons of stress.

Despite the statistics, it was not believed that the Council had an endemic stress problem. In recognition of the fact that people who were absent due to stress tended to be off for longer, managers concentrated on getting staff back to work as soon as reasonably possible in order to address any underlying work-related causes. Past staff surveys have not identified above average levels of stress/poor well-being. The next staff survey would be undertaken in November 2012, and allow comparisons with past years to be made.

The People and Payroll Section was continuing to hold health awareness campaigns in an effort to prevent sickness absence. In the last 12 months a stress awareness

event, a healthy eating event, a bowel cancer awareness campaign and a healthy heart campaign had been organised for employees. This complemented regular 'Reactivate' events held to increase levels of physical fitness for staff.

Members were also informed that a draft revised sickness absence policy and reporting procedure document had been prepared and was currently being consulted upon with unions. The revision clarified and simplified the procedures for managing short and long term sickness absence and to ensure compliance with ACAS guidelines.

Information was provided on some of the activities being undertaken within the Council to identify and, wherever possible, eliminate work related causes of ill-health in both office based staff and for staff working with the waste collection service.

Members requested further information on the proposed scheme and were advised:-

- (i) that all AVDC staff including those at the Depot had the opportunity to attend health awareness campaigns and 'reactivate' events.
- (ii) that the Council was always looking to improve working and health and safety practices for the operatives working from the Depot, to assist in reducing muscular/skeletal, back problems and injuries. It was hoped that the new refuse collection arrangements which meant that side waste would no longer be collected would assist in this regard.
- (iii) that staff who deliberately ignored health and safety procedures could be subject to formal disciplinary action.
- (iv) that although instances of stress-related absences had increased slightly over the past two years, it was not believed that the Council had an endemic stress problem. In such cases, efforts were concentrated on getting staff back to work as soon as reasonably possible in order to address any underlying work-related causes.
- (v) that AVDC was working hard to ensure that supervisors / managers were leading on managing sickness absence in their areas, and that they had received training to be able to recognise the signs of stress.

RESOLVED –

- (1) That staff be thanked for the progress that continued to be made in the management of sickness absence in AVDC.
- (2) That the on-going work being undertaken on the management of sickness absence and in response to specific health and safety concerns be noted.
- (3) That the on-going health and safety activity being undertaken in respect of new working practices in recycling and waste, and elsewhere, be noted.
- (4) That a further report on sickness absence management in AVDC be submitted to the Scrutiny Committee in 12 months.

9. PERFORMANCE MANAGEMENT OF STAFF AT AVDC

In June 2010 the Resources and Corporate Performance Scrutiny Committee received a report on the current arrangements with the performance management of staff at AVDC. The committee had asked that their concerns regarding the performance management of staff be reported to the Leader of the Council and Cabinet Member for Community Matters, and they be asked to raise these matters

with Cabinet and report back to Resources and Corporate Performance Scrutiny on the measures that can be taken to allow AVDC to take a more serious, proactive and modern approach to the performance management of staff. The Committee received an update report in July 2011 and this report is an update on progress during the last 12 months.

The Resources and Corporate Performance Scrutiny Committee and senior managers had identified there were concerns with the former performance management approaches at AVDC and in particular that the underperformance of staff was not being adequately addressed.

Since June 2010, performance management at AVDC had been dramatically transformed. The performance appraisal process had been removed and replaced with an annual talent discussion and quarterly performance personal performance planned meetings. The talent management tool, Talent Book had been incorporated into the annual talent review. To support the new arrangements behavioural competencies have also been developed which were applicable to all employees.

The on-going work in this area was known collectively by the term 'House of Performance Management' and had been incorporated into the Council's Business Transformation Programme. The new performance management arrangements have now been in full operation for over one year, with staff currently participating in the 2nd 'round' of annual performance reviews under the new processes.

Members were provided with a summary of the new performance processes and the behavioural competencies, which illustrated the cyclical nature of the process – i.e. the annual talent review then lead on to the quarterly Person Performance Plan (1:1s) during the year, leading up to the next annual talent review in 12 months time.

Alongside these changes, AVDC's capability policy (which outlines the formal processes to address poor performance in role, which could lead to dismissal) had also been revised to make the process clearer and more straightforward.

Other key development during 2012 had included the introduction of an additional recognition system for rewarding and recognising excellent performance, and work to change the recruitment and selection process to incorporate the behavioural competencies and ensure that new staff were recruited based on competency rather than solely on specific experience and qualifications.

The new recognition system sat alongside existing reward and recognition policies, including the Star Awards and the payment of one-off or monthly payments for additional responsibilities. The new system, which was implemented in April 2012, allowed managers to award 'points' to those staff who regularly achieved outstanding scores on their regular performance assessments or undertook a one-off exceptional task. Employees could exchange their points for a choice of low value rewards, eg: a day's leave, 2 theatre tickets, box of chocolates. The new scheme was developed in this manner as focus groups with staff revealed that different staff wanted different types of rewards, and in most cases, staff just wanted the acknowledgement and recognition for work well done, with the value of the reward not seen as the most important factor. These rewards were not designed to be motivators but recognition after the event for excellent performance.

In the first 12 months of operation the annual talent reviews have been well received by staff. Managers and staff seem to welcome the less intimidating approach which replaced a 9 page performance appraisal form which felt very bureaucratic, to an

approach which allows more open discussion and one which addresses an employee's aspirations and how they wish to develop, whereas the former process focussed more on task completion.

The response to undertaking annual talent reviews had been good, although at the last report 12% of staff did not have a talent review rating recorded on their HR record. Active messaging and communications to managers was undertaken to ensure that all staff had an annual talent review.

Where there have been challenges had been in the saturation of regular PPPs (or one to one meetings). The new processes said staff should have a PPP with their manager at least quarterly, (this is only 3 times a year in addition to their annual talent review so is not seen as an overly onerous commitment on the managers). It was important for managers to regularly discuss performance and progress of objectives with their direct reports. It was also an essential part of performance management to record an overall assessment score, (ie: how well staff were performing, not satisfactory, satisfactory, exceptional etc). This score was entered on the Council's HR system, so help in assessing the Council's performance overall. It also helped with workforce planning and training needs analysis, in understanding whether there was consistency between service areas, and in identifying high performing areas.

Communication with managers by a variety of methods was used to ensure they understand the importance of the regular PPP and the performance score. It provides a way of letting staff know when they are doing a good job, (all staff say they want to be recognised for doing a good job), and is necessary if the manager then wishes to reward that employee with 'points' in the new reward and recognition scheme. It also means that where improvement is needed, the employee can be clear what is expected of them, and if they are not performing to the required standard it ensures the manager has a robust and fair way of dealing with that issue.

A Talent Strategy had been developed which outlined ideas and suggestions for how managers can take forward outcomes following the talent discussion with their direct report. A copy of the Strategy was attached as Appendix 1 to the Committee report.

Annual workforce analysis would also be undertaken, assessing the Councils' overall performance, and any skills gaps in the competencies. This would be used to help determine future learning and development offerings.

Overall, the changes had meant that staff understood the importance of excellent performance and the differentiation between staff who are good or excellent performers and those who are not. The outcomes from the Talent Book discussions have been used in a variety of ways, and have helped with succession planning, internal recruitment, selection for learning and development such as the leadership programme and selection for involvement in project work.

Overall, the House of Performance Management initiatives represented a shift from the traditional approaches at AVDC, however, they were not unusual and dissimilar to performance processes at many organisations in both the public and private sector. The House of Performance work had been shortlisted for 2 national awards during 2012, the Personnel Today 'HR Excellence in the Public Sector' award and the Local Government Chronicle 'Workforce' Award. Regrettably, AVDC had not won on the night, but it had provided the council external recognition and showed that work being done by AVDC was considered excellent in the local government and the public sector.

Members requested further information on the proposed scheme and were advised:-

- (i) on how the new arrangements had been used to assist AVDC with succession planning, most notably through the sharing of Talent Book information across the authority.
- (ii) that use of the confidential counselling advice by staff was not restricted to sickness absence advice, and could also be used for people to seek advice on performance related or personal issues.
- (iii) that the People and Payroll Section was still working to ensure that the new arrangements were embedded across the whole Council, and that all staff received regular Personal Performance Plan (1:1s), as well as an Annual Talent Review, with their manager.

RESOLVED –

- (1) That staff be thanked for the further progress that had been made in the last 12 months to embed the processes for the performance management of staff at AVDC.
- (2) That a further report on the performance management of staff at AVDC be submitted to the Scrutiny Committee in 12 months.

(Councillor Tyndall declared a personal interest as his wife was employed by Aylesbury Vale District Council).

10. WORK PROGRAMME

Following Council's request to invigorate AVDC's scrutiny activities, three new Scrutiny Committees had been formed that better represented the Council's Corporate Plan aspirations.

The new Committees had taken parts of the, now disbanded, Communities Scrutiny Committee work programme, and these had been amalgamated into new work programmes that reflected the terms of reference of each of the new Committees.

Members considered a draft work programme for this Committee.

RESOLVED –

- (1) That the work programme circulated at the meeting be approved.
- (2) That a workshop be held as part of the next meeting to identify issues and plan the Scrutiny Committee's Work Programme for the next 12-18 months.