



**To/
Councillor Clive Lloyd
Cabinet Member for Business
Transformation & Performance**

BY EMAIL

cc Cabinet Members

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Gofynnwch am:*

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Llinell Uniongyrochol:*

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Scrutiny

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SPC/2018-19/4

16 October 2018

Summary: This is a letter from the Scrutiny Programme Committee to the Cabinet Member following the meeting of the Committee on 10 September 2018. It is about Pension Fund, Commissioning Reviews, Agile Working, Risk & Resilience, Budget, Civic Centre, Liberty Stadium Lease Agreement, Council Modernisation, Strategic Estates & Property Management, Capital Programme and Zero-Hour Contracts.

Dear Councillor Lloyd,

Cabinet Member Question Session – 10 September

Thank you for attending the Scrutiny Programme Committee on 10 September 2018 and answering questions on your work as Cabinet Member for Business Transformation & Performance.

We appreciate you providing a written paper, giving headlines from the portfolio, in support of your appearance. The Q & A session gave us an opportunity to explore priorities and achievements in relation to your areas of responsibility.

We are writing to you to reflect on what we learnt from the discussion, share the views of the Committee, and, where necessary, raise any outstanding issues / actions for your response. The main issues discussed are summarised below:

OVERVIEW & SCRUTINY / TROSOLWG A CHRAFFU

SWANSEA COUNCIL / CYNGOR ABERTAWE

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I dderbyn yr wybodaeth hon mewn fformat arall neu yn Gymraeg, cysylltwch â'r person uchod
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Pension Fund

You were asked last year about progress with divestment of the Council's Pension Fund from fossil fuel companies. Following up on this, the Committee wanted to know current policy and whether any decision has been taken by the Pension Fund Committee. Bearing in mind the need for due diligence, we were interested to know what advice has been considered by the Pension Fund Committee regarding divestment.

You confirmed that the Pension Fund Committee has discussed the matter along with other considerations, not least the fiduciary duty of the Committee. We heard that workshops were held to ensure the Pension Fund Committee had full understanding of the issues, and had engaged with Friends of the Earth. You stated that officers had provided information to the Committee about the extent of investment in fossil fuel companies, which showed it was already 9% below average. Furthermore, in March 2018 Environmental Social Governance (ESG) Policy was adopted by the Committee which would mean a commitment towards a reduction by up to 50% over the next 5 years, and will be reviewed annually. You added that it was one of the first Pension Fund Committees in Wales to adopt such policy.

Committee members questioned the appropriateness of continued investment in fossil fuel companies, with growing concerns about climate change, and felt the extent and pace of change could be greater. You assured the Committee the position will be reviewed each year which may in the future lead to an acceleration of change depending on information and circumstances at that time.

Commissioning Reviews

You spoke about work on Commissioning Reviews, new models of delivery and lessons learnt, including feedback from scrutiny, that have helped to shape the new programme. The Committee is interested in post-implementation outcomes and effectiveness from completed Commissioning Reviews. It is important that the impact from Commissioning Reviews are closely monitored. We have scheduled to receive a report on this at the Committee meeting on 10 December and look forward to that discussion with you and relevant officers.

You mentioned the current 'Services in the Community' pilot project and engagement of Public Service Board partners in development of a Community Hub, which aims to co-locate and integrate a range of services provided by the Council and other key partners. We heard that this project (being piloted in Clydach) has featured significant involvement from Councillors, staff, trade unions, and residents / service users in the pilot design and delivery. This approach has informed the Council's Co-production Strategy and approach to future consultation and engagement.

You stated that that co-production was not new to the Council, as it was evident in some parts of the Council, however the focus was on developing and spreading the approach across the Council. Asking about progress you told us that things were at an early stage in this process.

Agile Working

Your written report to the Committee mentioned that the agile working programme is well underway with more than 400 staff at the Civic Centre now working in an agile environment. You talked about this representing a significant cultural / behavioural change for the Council and its employees. You acknowledged that it may have also represented a challenge to some, but you were confident that new ways of working were being embraced as they provided greater flexibility for staff and contributed to better work/life balance, particularly for those able to now work from home, and ultimately better productivity.

We asked about the impact on lone working policy in light of increased agile working and safeguards to protect staff. You clarified that agile working did not necessarily mean lone working. However, you told us that there is plenty of advice and support available to those that are now agile working. You stressed that managers are still responsible for employees and their working arrangements / whereabouts and wellbeing and safety, and they would ensure that there is regular contact between team members.

Risk & Resilience

You reported that Cabinet now has joint-ownership with Corporate Management Team of the Corporate Risks, with all Cabinet Members having access to the Council's Corporate Risk Register. We noted this is reviewed each month, and will be jointly reviewed by Corporate Management Team and Cabinet each quarter. As well as this the Audit Committee each quarter looks at the overall status of risk in the Council and is provided with access to the Corporate Risk Register.

Following a question you confirmed that the Council's Risk Register does incorporate risks relating to Brexit and the City Deal, and could elaborate further on this in writing. We felt it would be beneficial for the Corporate Risk Register be shared with all Councillors. We understood that it may be accessible on the Council's intranet site, but would appreciate if you could confirm where the Register can be viewed by all Councillors.

Budget

You highlighted to us the continuing difficult financial position and challenges facing the Council, and strategies to deal with this. You spoke about the ongoing Sustainable Swansea – Fit For the Future Programme, and the pressure to make financial savings. You recognised the need for greater consultation and engagement with residents and stakeholders on the future of the Council.

We expressed some concern about morale amongst staff, particularly on the front-line, with continued austerity and its impact on Organisational Development. It is very important for Cabinet Members and Corporate Management Team to engage with staff to ensure understanding and awareness of the decisions that are being taken. You recognised that there has been significant change in the last few years due to financial pressures and many experienced staff have left the organisation through early retirement and voluntary redundancy, resulting in more pressure on teams to deliver services with available reduced resources. We heard that budget events / road shows will continue to be organised, and staff surveys will help tell us how staff are feeling.

You felt a lot of good work has been done through the Innovation Programme with staff at all levels getting involved and sharing knowledge and experience to identify solutions, and the innovation community may need to be refreshed or re-invented to ensure it provides a way for staff to be better engaged and informed about the future of the Council. You accepted that more could be done by Cabinet Members / Councillors to be more visible and engage with staff. Despite difficult times, you spoke passionately about the need to develop an Organisational Development Strategy that makes the Council an attractive employer.

Civic Centre

We asked about the timetable for the sale of the Civic Centre and development plans. You stated that there were no immediate plans or timetable but the Civic Centre site was part of an overall programme of development in the City Centre. However this would follow other regeneration work that is planned, including the St. David's site e.g. digital arena.

You reported that in the meantime the introduction of agile working has released significant office space within the building – 2000m² to date. This has enabled a lease with Swansea University's School of Management, providing much needed income - £350k per annum of revenue income with a further £40k of savings on business rates for the Authority. You added that a lease agreement was also being negotiated with the Welsh Government for office accommodation, with the potential for more public sector partners taking space in the future as more is released. You estimated that a further 1400m² would be available by mid-2019.

You added that these would be short term deals and therefore would not negatively affect future development plans. You told us you would confirm the exact length of leases that have been given. Although no firm decisions have been made you confirmed that should development plans progress at the Civic Centre a site would be looked at for a new Civic Centre building. We are also interested in where the Archives Services would relocate to.

Liberty Stadium Lease Agreement

Following the lease agreement with Swansea City Football Club we asked about progress with the delivery of 3G pitches. You confirmed that as part of the lease agreement two full sized 3G pitches would be constructed every 5 years. We understood that due to the relegation of the Club from the Premier League in May the construction of any proposed, but unfunded 3G pitch would be postponed. However, you told us that you were looking at an alternative way forward to deliver on this policy commitment, though this will take longer than originally anticipated.

Council Modernisation

You spoke about the Digital Agenda and developments over the last 18 months, both for the public and for staff. For example you referred to improvements to the Council website, improvement to digital tools (e.g. Skype for Business, Office 365 & Office 2016), increased self-service capabilities, and implementing service specific digital projects such as the All Wales Community Care Information System which is integrating social care and health around service users / patients. You also highlighted that the resilience of ICT systems used by the Council have been strengthened, with new hardware installed to limit outages.

We asked about savings that have been realised from ICT projects and future projections from digital investment. You undertook to provide a written response.

Strategic Estates & Property Management

At the Q & A session with you last year we discussed the universal review of all council land which you told us was carried out to identify sites that could be marketed to generate capital and reduce revenue costs. We asked what progress has been made on this i.e. revenue received from sale of surplus land following this review. You agreed to confirm this in writing.

Capital Programme

We queried some information in your written report regarding the Swansea Bay City Deal. We understood from your report that the City Deal is progressing through the UK and Welsh Government's business case assessment process but your report then indicated that the business cases have been signed off, grant terms have been received and grants have been sent to the four Councils. You agreed to confirm current status in writing.

You also reported on future capital programme ambition and development of capital strategy in conjunction with technical developments proposed by CIPFA. You agreed to elaborate on this in writing.

Zero-Hour Contracts

Since our meeting I am also writing to you about concerns that have been expressed to me regarding the use of zero-hour contracts and a call for scrutiny to look at this. We are aware of the ruling administration's commitment to the UNISON's Ethical Care Charter which includes prohibition of zero-hour contracts, and that the Council has in recent past confirmed that no staff are employed on zero-hour contracts, although many are employed on casual / relief basis. However I am led to believe that there are staff on zero-hour contracts employed by partners, including Ambassador Theatre Group who are going to run the Indoor Arena, and Freedom Leisure, who have taken over the running of our Leisure Centres.

I would be grateful if you could provide some clarity to this. We would like you to confirm whether we have employees, either directly employed or by external partners, on zero-hour contracts. Could you also confirm whether any employees have annualised hours contracts.

Your Response

In your response we would welcome your comments on any of the issues raised in this letter. We would be grateful, however, if you could specifically refer to our request for you to confirm:

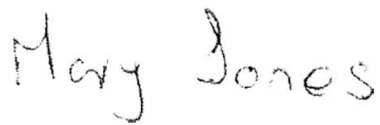
- how all Councillors can access the Corporate Risk Register;
- the exact length of lease for Civic Centre office space that has been given to partners;
- savings realised from ICT modernisation / digital investment and future projections;
- what revenue has been received from sale of surplus land following the universal review of all council land;
- clarify the current status of the Swansea Bay City Deal business cases / receipt of grant funding;
- indicate what technical developments have been proposed by CIPFA in relation to the development of capital strategy; and

- confirm the situation regarding employee contracts.

Please provide the response to this and any other comments about our letter by 6 November. We will then include both letters in the agenda of the next available Committee meeting.

We will arrange to follow up on portfolio developments and invite you to a future Committee meeting in due course.

Yours sincerely,

A handwritten signature in black ink that reads "Mary Jones". The script is cursive and slightly slanted to the right.

COUNCILLOR MARY JONES

Chair, Scrutiny Programme Committee

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