

## CORPORATE SERVICES SCRUTINY COMMITTEE

28 November 2016

Present:-

Councillors J Brazil (Chairman), J Berry, A Boyd, P Colthorpe (Vice-Chair), R Hosking, J Knight, J Owen, R Rowe, R Westlake and R Younger-Ross

Apologies:-

Councillors K Ball, M Edmunds, G Gribble, R Julian and J Yabsley

Members attending in accordance with Standing Order 25

Councillors Clatworthy and Parsons

\* 20

**Minutes**

**RESOLVED** that the minutes of the meeting held on 22 September 2016 be signed as a correct record.

\* 21

**Items Requiring Urgent Attention**

There was no item raised as a matter of urgency.

\* 22

**Public Participation**

There were no oral representations from Members of the Public.

\* 23

**Budget 2016/17: In Year Briefing**

The Committee received a verbal update from the Chief Executive on the in-year position of the budget for 2016/2017. He reported on progress with the delivery of the current financial year's budget for Corporate Services in 2016/17 against the Council's agreed priorities and objectives.

Members noted that Corporate Services were on track to achieve the targeted savings of £3.2m.

Many of the individual Corporate service areas were anticipated to 'break even' at the year end, notwithstanding the pressures experienced within those areas, for example, Business Support delaying a small number of ICT projects, concern over the Coroners budget and the impact of Deprivation of Liberty (DOLS) assessments on the legal budget.

The Council's Public Health Team had also seen in year cuts to the budget of £800,000.

The Chief Executive reported that 2017/2018 would present further challenges in terms of budgetary constraints for the Corporate Services.

Members discussed and asked questions on:

- the impact of other service areas (for example childrens and adults services), which were under huge pressure, on the Corporate budget,;
- clarification of how the Coroners service was funded;

- how the Council would manage any further reductions of the Public Health Grant, and also the impact of the forthcoming 'health checks' requirements; and
- the view of the LGA of Local Government funding and the potential for some Local Authorities to reach financial crisis in the not too distant future.

\* **24**      **Treasury Management Mid Year Stewardship Report**

The Committee considered the Report of the County Treasurer (CT/16/102) which updated on key matters arising from the Council's Treasury and Debt Management activities during the first half of the 2016/17 financial year, to enable Members to satisfy themselves that agreed policy had been implemented.

The Report outlined the Borrowing Strategy and its aims for 2016/17 to 2018/19, the implementation of that Strategy in 2016/17, the Investment Strategy during 2016/17 (and implementation, including the CCLA Property Fund), the current position with the Minimum Revenue Provision (MRP) (a charge to make provision for the repayment of the authority's external debt and internal borrowing), the Council's compliance with the Prudential Indicators as laid out in the CIPFA Code of Practice, and prospects for 2017/18.

As a summary, the report stated that no long term borrowing had been undertaken to date in 2016/17, three short-term loans totalling £10m were undertaken from other local authorities, each for a period of less than 30 days and at an average rate of 0.31%, investment income was forecast to achieve the budget target of £1.215m in 2016/17 and that it was proposed to add Goldman Sachs International Bank to the approved list of counterparties.

In response to Members' questions, the County Treasurer advised that the CCLA Property Fund was performing well, clarified the difference between the fixed and variable interest exposure borrowing limits and the benefits of Goldman Sachs International Bank joining the approved list of Counterparties.

It was **MOVED** by Councillor Westlake, **SECONDED** by Councillor Knight, and

**RESOLVED** that the Treasury Management Mid Year Report be endorsed and commended to the Cabinet.

\* **25**      **Human Resources Service (HR) Update**

(Councillor Parsons attended under SO25 and spoke at the invitation of the Committee).

The Committee received the Report of the Head of Organisational Development (OD/16/2) which updated Members on developments within HR, including HR Service delivery and processes, changes at senior manager level and information on the Service's plans for the remainder of 2016/17 and into the new 2017/18 financial year.

The service had undergone a number of restructures and staffing reductions in recent years, including improvements to the efficiency of transactional services including recruitment and restructuring administration. With the need to make further budget savings, the HRMT of six posts was reduced to one new Head of Human Resources post. The report outlined the budget and staffing position and also current structure as appendices to the report.

The report outlined the HR Service Delivery Plan which set out corporate priorities, service area priorities and also the trial of an HR Business Partnering model which was used extensively in the profession. The model was aligned with the new Corporate Leadership Team structure and would be reviewed at the end of the financial year.

A HR Strategy was in place which had delivered excellent support for staff during exceptional levels of change. It would be reviewed in 2017 in light of further organisational change, the Purposeful Systems work and the recent Peer Review findings.

In the future, HR Strategy would be informed by workforce data and the views of stakeholders and have a focus on embedding organisational change and improving workforce productivity. Also the HR Business Partnering model trial, HR priorities and further budget reductions would impact upon the service from 2017 onwards.

In discussion Members asked the following questions and made the following comments:

- the role and purpose of the proposed HR Management Information System;
- clarification of the areas where retention of staff was difficult;
- the ongoing targeted work with younger staff in the organisation, to better understand recruitment and retention issues;
- the new apprenticeship offer and uses for the new levy that was being introduced;
- Clarification of the categories in relation to sickness absence;
- the importance of balance between retaining staff, but also attracting 'new blood' into the organisation; and
- the work being done in the South West with regard to agency working, including proposed capping, improved robustness with references and the impact of the intermediaries legislation.

\* **26**      **Data Protection Risks**

(Councillor Parsons attended under SO25 and spoke at the invitation of the Committee).

The Committee considered the Report of the Head of Digital Transformation and Business Support (BSS/16/17) on Data Protection breach risks. This followed the Committees earlier request for clarity on what a Data Protection breach was, how they were managed; the impact if a breach occurred and what were individuals' responsibilities.

The report outlined the legal definition of a Data Protection breach, under the Data Protection Act 1998 which placed a legal obligation on organisations to handle personal data securely. Examples of breaches or security incidents included the posting of personal data to an incorrect address and it being read, leaving documents containing personal data in a public place or leaving such data unattended at a printer etc.

The Council informed all staff of their obligation to report a security incident. This could be classified as Security incident, High risk internal incident or High risk reportable incident (which would require reporting to the Information Commissioner's Office (ICO)).

Out of 21 incidents reported to the ICO since 2011, only one found that the Council did not have adequate security measures in place to protect the personal data held.

The report further outlined the role of the Information Governance Team / County SIRO in investigating security incidents and their services on improving procedures. In addition, the Council had in place several organisational measures such as the Public Sector Network Compliance, Data Protection e-learning training package, guides and policies for staff, advice provided via Insider, Encrypted email, lockable cupboards, locked printing etc.

The impact of beaches could be significant, including the impact on the people the Council served, but also the potential to be fined up to £500k. The report stressed that all staff and Members had a responsibility.

Finally, Members noted there had been a major reform of the EU Data Protection Directive (95/46/EC), which had resulted in a new General Data Protection Regulation (GDPR) being approved, which would come into effect from May 2018.

Members asked questions and discussed the following issues:

- confirmation that the rise in incidents in 2014 when compared to earlier years was, in the main, due to improved reporting procedures;
- clarification on how the Risk Register scores were calculated and 'rag' ratings applied, through the assessment of both likelihood and impact;
- how the organisation controlled risk when information sharing with other partners and organisations; and
- the process for controlling malicious leaks, both externally and internally.

It was **MOVED** by Councillor Boyd, **SECONDED** by Councillor Knight, and

**RESOLVED** that the reduction of the Data Protection Risk from a high rating to medium be welcomed.

\* **27**      **Scrutiny Work Programme**

The Committee reviewed the Scrutiny Work Programme and determined those items of business to be included therein for its sphere of activity, having regard also to the Council/Cabinet Forward Plan.

Members noted there was an ongoing Task Group in relation to NHS funding, which was due to report in January 2017.

They were further advised that the Corporate Risk Register was being refreshed in January, to achieve improved consistency as well as being better aligned to the new organisational structure.

It was **MOVED** by Councillor Brazil, **SECONDED** by Councillor Knight, and

**RESOLVED**

(a) that the work programme be agreed subject to the addition of the Task Group findings on NHS funding; and

(b) that the Committee take a more robust approach to its consideration of the Risk Register, ensuring responsible officers for those risks attend Committee, whilst also referring matters to other Scrutiny Committees, as appropriate.

\* **28**      **Briefing Papers, Updates & Matters for Information**

There were no items received.

**\*DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 2.00 pm and finished at 3.34 pm