

Pecyn Dogfen Gyhoeddus

Gareth Owens LL.B Barrister/Bargyfreithiwr

Chief Officer (Governance)

Prif Swyddog (Llywodraethu)



Swyddog Cyswllt:

Nicola Gittins 01352 702345

nicola.gittins@flintshire.gov.uk

At: Cyng Ian Roberts (Arweinydd)

Y Cynghorwyr: Sean Bibby, Chris Bithell, Mared Eastwood, David Healey,
Dave Hughes, Paul Johnson, Christine Jones and Billy Mullin

Dydd Mercher, 14 Chwefror 2024

Annwyl Gyngorydd,

RHYBUDD O GYFARFOD HYBRID
CABINET
DYDD MAWRTH, 20FED CHWEFROR, 2024 9.30 AM

Yn gywir

Steven Goodrum

Rheolwr Gwasanaethau Democrataidd

Sylwch: Gellir mynychu'r cyfarfod hwn naill ai wyneb yn wyneb yn Ystafell Bwyllgor Delyn, Cyngor Sir y Fflint, Yr Wyddgrug, Sir y Fflint neu ar-lein.

Bydd y cyfarfod yn cael ei ffrydio'n fyw ar wefan y Cyngor. Bydd y ffrydio byw yn dod i ben pan fydd unrhyw eitemau cyfrinachol yn cael eu hystyried. Bydd recordiad o'r cyfarfod ar gael yn fuan ar ôl y cyfarfod ar <https://flintshire.publici.tv/core/portal/home>

Os oes gennych unrhyw ymholiadau, cysylltwch ag aelod o'r Tîm Gwasanaethau Democrataidd ar 01352 702345.

R H A G L E N

1 YMDDIHEURIADAU

Pwrpas: Derbyn unrhyw ymddiheuriadau.

2 DATGAN CYSYLLTIAD

Pwrpas: I derbyn datganiad o gysylltiada chynghori's Aelodau yn unol a hynny.

3 COFNODION (Tudalennau 5 - 14)

Pwrpas: Cadarnhau cofnodion y cyfarfodydd a 16 Ionawr 2023.

YSTRID YR ADRODDIADAU CANLYNOL

ADRODDIAD STRATEGOL

4 CYLLIDEB REFENIW CRONFA'R CYNGOR 2024/25 - Y CAM CAU OLAF (Tudalennau 15 - 66)

Adroddiad Rheolwr Cyllid Corfforaethol - Aelod Cabinet Cyllid, Cynhwysiant, Cymunedau Cryf gan gynnwys Gwerth Cymdeithasol a Chaffael

Pwrpas: I gosod cyllideb gyfreithiol a chytbwys ar gyfer 2024/25 ar argymhelliad y Cabinet.

5 STRATEGAETH RHEOLI'R TRYSORLYS 2024/25 (Tudalennau 67 - 102)

Adroddiad Rheolwr Cyllid Corfforaethol - Aelod Cabinet Cyllid, Cynhwysiant, Cymunedau Cryf gan gynnwys Gwerth Cymdeithasol a Chaffael

Pwpras: Cyflwyno i'r Aelodau Strategaeth Rheoli'r Trysorlys Drafft 2024/25 i'w argymhell i'r Cyngor.

6 ISAFSWM DARPARIAETH REFENIW - POLISI 2024/25 (Tudalennau 103 - 112)

Adroddiad Rheolwr Cyllid Corfforaethol - Aelod Cabinet Cyllid, Cynhwysiant, Cymunedau Cryf gan gynnwys Gwerth Cymdeithasol a Chaffael

Pwrpas: Mae gofyn i Awdurdodau Lleol bob blwyddyn roi rhywfaint o'u hadnoddau refeniw o'r neilltu fel darpariaeth i ad-dalu dyledion. Mae'r adroddiad yn cyflwyno polisi drafft y Cyngor ar Isafswm Darpariaeth Refeniw.

ADRODDIADAU GWEITHREDOL

7 MONITRO CYLLIDEB REFENIW 2023/24 (MIS 9) (Tudalennau 113 - 140)

Adroddiad Rheolwr Cyllid Corfforaethol - Aelod Cabinet Cyllid, Cynhwysiant, Cymunedau Cryf gan gynnwys Gwerth Cymdeithasol a Chaffael

Pwrpas: Mae'r adroddiad misol rheolaidd hwn yn darparu'r wybodaeth ddiweddaraf am fonitro cyllideb refeniw 2023/24 Cronfa'r Cyngor a'r Cyfrif Refeniw Tai. Mae'r sefyllfa yn seiliedig ar incwm a gwariant gwirioneddol fel yr oedd hyd at Fis 9 a rhagamcan ymlaen i ddiwedd y flwyddyn.

8 MONITRO RHAGLEN GYFALAF 2023/24 (MIS 9) (Tudalennau 141 - 168)

Adroddiad Rheolwr Cyllid Corfforaethol - Aelod Cabinet Cyllid, Cynhwysiant, Cymunedau Cryf gan gynnwys Gwerth Cymdeithasol a Chaffael

Pwrpas: Darparu gwybodaeth am Raglen Gyfalaf Mis 9 ar gyfer 2023/24.

9 YMARFER PWERAU DIRPRWEDIG (Tudalennau 169 - 170)

Pwrpas: Rhoi'r wybodaeth ddiweddaraf am effaith diwygiadau lles a'r Gwaith sy'n mynd rhagddo i'w lliniaru.

RHAGLAN GWAITH I'R DYFODOL - Y CYNGOR SIR, CABINET, PPWYLLGOR ARCHWILIO A'R WYLLGOR TROOLWG A CHRAFFU - ER GWYBODAETH

DEDDF LLYWODRAETH LEOL (MYNEDIAD I WYBODAETH) 1985 - YSTYRIED GWAHARDD Y WASG A'R CYHOEDD

Mae'r eitem a ganlyn yn cael ei hystyried yn eitem eithriedig yn rhinwedd Paragraff(au) 14 Rhan 4 Atodiad 12A o Ddeddf Llywodraeth Leol 1972 (fel y cafodd ei diwygio)

Mae'r adroddiad yn cynnwys manylion contract arfaethedig ac mae budd y cyhoedd mewn dal y wybodaeth yn ôl yn gorbwyso budd y cyhoedd mewn datgelu nes bod y contractau wedi'u dyfarnu.

10 CYNIGION CYDNERTHEDD GWASANAETH (Tudalennau 209 - 214)

Adroddiad Prif Swyddog (Gwasanaethau Cymdeithasol) - Dirprwy Arweinydd y Cyngor a'r Aelod Cabinet Gwasanaethau Cymdeithasol a Lles

Pwrpas: Cynigion Cydnerthedd Gwasanaeth.

Mae'r eitem a ganlyn yn cael ei hystyried yn eitem eithriedig yn rhinwedd Paragraff(au) 15 Rhan 4 Atodiad 12A o Ddeddf Llywodraeth Leol 1972 (fel y cafodd ei diwygio)

Mae'r adroddiad yn cynnwys gwybodaeth yn ymwneud ag ymgynghoriadau neu drafodaethau arfaethedig mewn perthynas â mater cysylltiadau llafur sy'n codi rhwng y Cyngor a gweithwyr. Mae'r budd cyhoeddus o gadw'r wybodaeth yn ôl yn drech na'r budd i'r cyhoedd o ddatgelu'r wybodaeth hyd nes y bydd yr ymgynghoriadau a'r trafodaethau wedi dod i ben.

11 **CYMNEDAU AM WAITH** (Tudalennau 215 - 220)

Adroddiad Prif Swyddog (Cynllunio, Amgylchedd ac Economi) - Aelod Cabinet Newid Hinsawdd a'r Economi

Pwrpas: Ceisio cefnogaeth i'r cynigion ar gyfer Cymunedau am Waith.

Mae'r eitem a ganlyn yn cael ei hystyried yn eitem eithriedig yn rhinwedd Paragraff(au) 14 Rhan 4 Atodiad 12A o Ddeddf Llywodraeth Leol 1972 (fel y cafodd ei diwygio)

Budd y cyhoedd mewn atal y wybodaeth yn drech na'r buddiant wrth ddtgalu'l wybodaeth nes bod y trefniadau masnachol wedi eu cwblhau.

12 **CYNLLUN BUSNES CARTREFI GOGLEDD DDWYRAIN CYMRU 2023/2052** (Tudalennau 221 - 242)

Adroddiad Prif Swyddog (Tai ac Asedau) - Aelod Cabinet Tai ac Adfywio

Pwrpas: Aelod Cabinet Tai ac Adfywio.

Sylwch, efallai y bydd egwyl o 10 munud os yw'r cyfarfod yn para'n hirach na dwy awr.

Eitem ar gyfer y Rhaglen 3

CABINET 16TH JANUARY 2024

Minutes of the meeting of the Cabinet of Flintshire County Council held virtually via Zoom on Tuesday 16th January 2024.

PRESENT: Councillor Ian Roberts (Chair)

Councillors: Sean Bibby, Mared Eastwood, Dave Healey, Dave Hughes, Paul Johnson and Christine Jones.

IN ATTENDANCE:

Chief Executive, Chief Officer (Governance), Chief Officer (Planning, Environment and Economy), Chief Officer (Social Services), Chief Officer (Housing and Communities), Corporate Finance Manager, Corporate Manager – Capital Programme and Assets, Corporate Manager, People and Organisational Development, Revenues and Procurement Manager, Operational North and Streetlighting Manager Highway Network Manager, Transport Manager and Team Leader – Democratic Services.

OTHER MEMBERS IN ATTENDANCE:

Councillors: Bernie Attridge, Roz Mansell and Andrew Parkhurst.

APOLOGIES: Councillors: Chris Bithell and Billy Mullin.

100. DECLARATIONS OF INTEREST

None.

101. MINUTES

The minutes of the meeting held on 19th December were submitted and confirmed as a correct record.

RESOLVED:

That the minutes of the meeting be approved as a correct record.

102. MEDIUM TERM FINANCIAL STRATEGY (MTFS) AND BUDGET 2024/25 – WELSH LOCAL GOVERNMENT PROVISIONAL SETTLEMENT

Councillor Johnson introduced the report which provided an update on the key headlines and financial impacts of the Welsh Local Government Provisional Settlement and to update on the work being undertaken on the range of budget solutions available to the Council to set a legal and balanced budget in February.

A summary of the key headlines was set out in the report and had the effect of increasing the 'budget gap' to £12.946m. The Provisional Welsh Local Government Settlement for Flintshire was extremely disappointing and presented an increased challenge to an already very difficult financial position.

Detailed final budget proposals now needed to be prepared for Member consideration and scrutiny and specific proposals would be considered by relevant Overview and Scrutiny Committees from February.

The Chief Executive commented on the disappointing settlement from Welsh Government which had resulted in the requirement to revisit a number of the forecasting and planning assumptions ahead of County Council in February.

The Corporate Finance Manager confirmed the Member briefing arrangements of 22nd January and 25th which had been arranged to provide an opportunity for Members to consider the overall budget proposals in advance of the Overview and Scrutiny meetings.

Councillor Roberts said a robust statement had been issued following the disappointing settlement. He explained that a meeting had been held with Heads and Chairs of Governors the previous evening to outline the proposals that would be made.

RESOLVED:

That the financial implications of the Welsh Provisional Local Government Settlement and the remaining work which needs to be completed prior to agreeing a set of recommendations for Council to set a legal and balanced budget on 20th February (which will be subject to prior consideration and comment by Overview and Scrutiny Committees) be noted.

103. COUNCIL PLAN 2023/24 MID-YEAR PERFORMANCE REPORT

The Chief Executive introduced the report which presented a summary of performance of progress against the Council Plan priorities identified for 2023/24 at the mid-year position.

The report was an exception-based report and concentrated on those areas of performance which were not currently achieving their target at the mid-year position.

The report contained progress against the actions and measures that were monitored and updated on a quarterly basis. Progress against the annual measures within the Council Plan would be captured within the End of Year Performance Report.

RESOLVED:

- (a) That the levels of progress and confidence in the achievement of priorities as detailed within the Council Plan 2023/28 for delivery within 2023/24 be endorsed and supported;
- (b) That the overall performance against Council Plan 2023/24 performance indicators/measures be endorsed and supported; and

- (c) That Cabinet be assured by explanations given for those areas of underperformance.

104. UPDATED CONTAMINATED LAND INSPECTION STRATEGY

The Chief Officer (Planning, Environment and Economy) introduced the report and explained that the Contaminated Land Inspection Strategy described how Flintshire County Council was required by Part 2A of the Environmental Protection Act 1990 to identify and inspect land within its administrative control and explained the steps that the Council would take to investigate the land to secure the remediation of contamination.

Flintshire County Council's Contaminated Land Inspection Strategy had been updated in 2023 to reflect current Council policies, objectives and the replacement of a principal piece of regulatory guidance relating to the assessment of land contamination.

The report explained the purpose of the Strategy and the updates made.

The report had been considered at a recent Environment and Economy Overview and Scrutiny Committee and the comments received were reflected in the updated strategy being presented to Cabinet.

RESOLVED:

That the updates to the Contaminated Land Inspection Strategy be endorsed.

105. PROGRESS ON THE NORTH EAST WALES ARCHIVE (NEWA) PROJECT

Councillor Roberts introduced the report and explained that to maximise the impact of archive services in our communities and extend their reach across Flintshire and Denbighshire, and to address major deficiencies in the current archive buildings in Hawarden and Ruthin, both Flintshire and Denbighshire County Councils had a shared ambition to build a new, state of the art archive facility for North East Wales on the County Hall campus, next to Theatr Clwyd.

The facility would bring the Flintshire and Denbighshire collections together in a single location. The new building would also act as a hub in 'hub and spoke' model, which would provide digital access to the archive materials through access points in libraries and other public buildings to widen participation across both Flintshire and Denbighshire.

The Chief Officer (Education and Youth) explained that NEWA, with the support of both Councils, submitted a bid to National Lottery Heritage Fund in February 2021 and narrowly missed out on being awarded funding. There was no negative feedback on the content and quality of the bid, and a new application was actively encouraged. That grant application had been submitted to and by March 2024 the Council would know if had been awarded grant funding or not.

The move to a single building enabled NEWA to combine and better utilise its

resources, protects the archive services in both Councils and enabled the Council to deliver an exciting activity plan that would introduce archives to a wider and more diverse audience, making a positive contribution to the learning and wellbeing of our residents.

RESOLVED:

- (a) That the submission of a further grant application to the NLHF Wales for £7.336m by North East Wales Archive (NEWA) on 15th November 2023 be noted;
- (b) That the outcome of the grant application being known by the end of March 2024 be noted, and if the bid and the project are successful, then the service delivery model will be fully operational by the end of the financial year 2027-28; and
- (c) That the challenges faced by the project since 2021 and the ongoing developments, including the impact on the potential costs of the project in light of inflationary pressures in the current market conditions.

106. REVENUE BUDGET MONITORING REPORT 2023/24 (MONTH 8)

Councillor Johnson introduced the report which provided Members with the first detailed overview of the budget monitoring position for the 2023/24 financial year for the Council Fund and Housing Revenue Account and presented the position, based on actual income and expenditure as at Month 8.

The projected year end position was as follows:

Council Fund

- An operating deficit of £2.942m which was a favourable movement of £0.728m from the deficit figure reported at Month 7
- A projected contingency reserve available balance as at 31st March 2024 of £4.918m (after the actual impact of pay awards and taking account of previously approved allocations)

Housing Revenue Account

- Net in-year revenue expenditure was forecast to be £0.018m higher than budget which was an adverse movement of £0.118m from the figure reported at Month 7
- A projected closing balance as at 31st March, 2024 of £3.297m

The Corporate Finance Manager explained that the economic outlook remained challenging due to inflation levels remaining high. The impacts of that, together with continued increases in service demand was becoming increasingly hard to deal with as the Councils funding failed to keep up with the scale of those pressures.

To assist with managing those risks and mitigating the overall projected overspend, a moratorium on non-contractually committed spend had been put in

place alongside a vacancy management process which continued.

At Month 8, £1.293m of deferred and/or delayed expenditure had been identified and was analysed by service within Appendix 2. The robust challenge of budget lines and commitments would continue, and further updates provided in future reports.

RESOLVED:

That the report and the estimated financial impact on the 2023/24 budget be noted.

107. COUNCIL TAX REFORM – WELSH GOVERNMENT PHASE 2 CONSULTATION

The Chief Officer (Governance) introduced the report which provided Members with information on a phase 2 Welsh Government consultation seeking views on the ongoing council tax reform programme. The phase 2 proposals centred on:

- The scale and pace of potential council tax banding/revaluation reforms
- Reform of the Class F council tax exemption for properties which were unoccupied where the previous occupier had died, and no grant of probate or letters of administration had been made.
- Clarity over the appropriate terminology and criteria for the Class U council tax exemption for households where the occupier was certified as being 'severely mentally impaired'.

The Revenues and Procurement Manager provided full details of the options available.

Councillor Healey explained that the report had been considered at Corporate Resources Overview and Scrutiny Committee the previous week where they supported the expanded version, and for as soon as possible. He moved an amendment to the recommendation to support the expanded version but with an incremental approach, which was supported.

RESOLVED:

That the Welsh Government (phase 2) proposals to reform Council Tax be noted, and senior officers be authorised to respond to the consultation to recommend the expanded version with an incremental approach.

108. STREETLIGHTING POLICY 2023-2028

Councillor Hughes introduced the report and explained the last time the policy was reviewed was in 2015 when the standards were amended for repairing street lighting faults and the frequency of night-time inspections were revised, as well as including provision for part-night lighting and dimming lights.

The draft policy set out the responsibilities, requirements and standards for all new or replacement external public highway lighting, and aimed to incorporate,

wherever practicable, all relevant codes of practice and legislation, together with industry best practice and national policies.

The revised policy being presented for consideration with the report took into account additional electrical infrastructure, such as electric vehicle charging, vehicle activated signs and defibrillators.

The report had been considered at the recent Environment and Economy Overview and Scrutiny and their comments had been incorporated into the document.

In response to a question from Councillor Roberts, the Operational North and Streetlighting Manager Highway Network Manager confirmed that the arrangements with Town and Community Councils on being able to pay towards keeping lights on remained unchanged.

RESOLVED:

- (a) That the portfolio's performance against the current standards and policy be noted; and
- (b) That the revised Street Lighting policy be supported.

109. UNSAFE MEMORIALS IN FLINTSHIRE CEMETERIES

Councillor Hughes introduced the report and explained that the service was responsible for approximately 20,000 memorials of varying shapes and sizes and the Council had a duty to maintain its burial grounds in good and safe order.

A combination of the absence of records and/or absence of surviving family members willing to undertake the repairs and maintenance on memorials had resulted in approximately 700 memorials within Flintshire's cemeteries being deemed to be structurally unsafe. Whilst those memorials continued to be supported by wooden stakes, a permanent solution had yet to be implemented. In addition to unsafe memorials, kerb sets within the council's older cemeteries were also falling into disrepair, resulting in potential trip hazards.

The purpose of the report was to seek support and approval for an alternative and permanent method of making the memorials safe, if the memorial was not repaired by the registered grave owner, as well as the making safe of any kerb sets that had become detached from the main structure of the grave.

RESOLVED:

- (a) That the proposal to adopt the "digging in" method to stabilise those memorials deemed to be structurally unsafe when the grave owners cannot be traced be supported. This approach will address the ongoing health and safety risk associated with unsafe memorials that only currently receive a temporary short-term fix; and

- (b) That the proposal to address unsafe kerb sets by repositioning all kerb sections within the structure of the grave – either above or below the surface depending on the presence of a concrete slab foundation be supported.

110. ALARM SERVICE CHARGES REVIEW

Councillor Bibby introduced the report and explained that within the Council's housing stock (HRA) there were 2592 sheltered housing accommodation units. Following a review of the warden service in 2009 this service was ceased, and the Community Based Accommodation Service (CBASS) was created. The service provided a tenure neutral service for any older person in Flintshire who may need housing related support.

In addition, the service provided a response service for alarm activations. For HRA residents this was a 24-hour service, operating an out of hours service from within the team for outside office hours (evenings, nights and weekends). The proposal was to apply the increased service charge to all sheltered residents who were currently using the alarm service. All new residents in sheltered schemes with an alarm would have the charge applied as per current process at the beginning of their new contract.

The Chief Officer (Housing and Communities explained that the report provided details of a proposal to increase the service charge to all sheltered residents who were currently using the alarm service and that the service charge would be applied to all sheltered properties at the point they were let in future.

The proposal represented an increase of £0.85 per calendar week, or when calculating over a 50-week period it equated to £0.98 increase. This would achieve full cost recovery from 2024/2025 and could then be reviewed annually as part of the HRA business planning process to align costs to service charges moving forward.

RESOLVED:

That the proposal to achieve full cost recovery for the housing revenue account alarms service be supported and endorsed.

111. HOUSING MANAGEMENT AND ANTI-SOCIAL BEHAVIOUR POLICY

Councillor Bibby introduced the report and explained that the Council was committed to providing an effective and efficient housing management service that reflected best practice, complied with legislation and protected the rights of contract holders as well as minimising risk to the Council for not complying with appropriate legislation.

The Renting Homes (Wales) Act 2016, which came into effect from the 1st December 2022, was the biggest change to housing law in Wales for decades. The new legislation had changed the way all landlords in Wales rented their properties.

The Renting Homes (Wales) Act 2016 aimed to simplify the process of renting a home in Wales and to provide parties with more information about their rights and

obligations. The Act was now partially in force, for the purpose of making regulations and issuing guidance.

The implementation of the significant changes brought about by the Act, had made it necessary to review and draft revised policies and procedures. The report provided an overview of the changes that had been made to the Housing Management Policy and the Anti-Social Behaviour Policy.

The Chief Officer (Housing and Communities) explained that the policy had been reported to Community and Housing Overview and Scrutiny Committee twice and comments received were on specific issues. Comments on the policy related to procedural guidance.

RESOLVED:

That the Housing Management and Anti-Social Behaviour policies be approved.

112. BAILEY HILL MOLD

Councillor Healey introduced the report and explained that Bailey Hill in Mold was a Council-owned green space in the heart of Mold and it incorporated the remains of Mold Castle.

Previously overgrown and under-used, the site had been restored to be a valuable community resource through a tripartite partnership between the Council, Mold Town Council, and the Friends of Bailey Hill.

The report provides a summary of the project that has been undertaken. 1.05

The Chief Officer (Planning, Environment and Economy) explained that the report had been submitted to Environment and Economy Overview and Scrutiny Committee where discussions had focussed on resource implications. At present the costs sat with Mold Town Council. That would need to be reviewed and the costs more fairly distributed.

RESOLVED:

That the successful completion of development at Bailey Hill in Mold be noted.

113. ACCESS BARRIER REVIEW UPDATE

Councillor Healey introduced the report and explained that Flintshire County Council appointed a consultant to undertake a review of the existing access control measures in place on a section of the Wales Coast Path (WCP) between Chester and Queensferry.

The recommendations from the consultant study were discussed at Flintshire Local Access Forum, Environment and Economy Overview & Scrutiny Committee and Cabinet in July 2023. The resolution at Cabinet was to gain further feedback from users and stakeholders when implementation designs were established.

A Plan and specification were drawn up for access points to the Wales Coast Path around the Saltney footbridge area and sent out for feedback during October. A summary of responses was appended to the report.

Environment and Economy Overview & Scrutiny Committee considered the feedback on 19th December where the proposals were supported by a majority.

The option presented highlighted the opportunities and risks to the Authority.

Councillors Bibby and Jones welcomed the report and the proposed improvements which provided a pragmatic compromise.

RESOLVED:

- (a) That the feedback on the proposed access improvements and the potential risks to the Authority be noted; and
- (b) That the proposed improvements to the access points as detailed in the plan and specification be approved.

114. EXERCISE OF DELEGATED POWERS

An information item on the actions taken under delegated powers was submitted. The actions were as set out below:-

Housing and Communities

- **The Flintshire County Council – Prince’s Street, Primrose Street, Chapel Street, Dodd’s Drive and Summersville Close, Connah’s Quay – Proposed Prohibition of Waiting At Any Time**
To advise Members of the unresolved matter(s) received following the advertisement of the proposed Prohibition of Waiting At Any Time on the roads listed above.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 – TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded for the remainder of the meeting for the following item by virtue of exempt information under paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

115. FLEET CONTRACT REVIEW

Councillor Hughes introduced the report which provided an update on the Fleet Contract.

The report had been submitted to Environment and Economy Overview and Scrutiny Committee the previous week where the recommendations were supported.

RESOLVED:

- (a) That the update on the fleet contract be noted including that the update had been provided to Environment and Economy Overview and Scrutiny Committee the previous week;
- (b) That the preferred option to bring the fleet operations and management back in-house to ensure the seamless continuation of this critical service be supported; and
- (c) That a further short-term extension with the current supplier for no more than 12 months, to allow the Council time to make alternative provision, be approved.

116. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There were no members of the public in attendance.

(The meeting commenced at 10.00 a.m. and ended at 11.48 a.m.)

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Chair

Eitem ar gyfer y Rhaglen 4



CABINET

Date of Meeting	Tuesday, 20 th February 2024
Report Subject	Council Fund Revenue Budget 2024/25 – Final Closing Stage
Cabinet Member	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Report Author	Corporate Finance Manager and Chief Executive
Type of Report	Strategic

EXECUTIVE SUMMARY

From July 2023, Members have received regular updates on the Council's challenging budget position for the 2024/25 financial year and the additional budget requirement for 2024/25 has been continuously revised to consider the latest available information.

Cabinet and Corporate Resources Overview and Scrutiny Committee received an update on the key headlines and financial impacts of the Welsh Local Government Provisional Settlement in January, together with an update on the increased additional budget requirement of £33.187m. At that stage there was a remaining 'budget gap' of £12.946m.

Two Member briefings were also held in January prior to additional cost reduction proposals being considered by specific Overview and Scrutiny Committees in February. Work has continued to review the overall position in conjunction with a recent announcement from Welsh Government on an expected consequential from UK Government.

This work has now been concluded and the outcome is set out in the report.

The report sets out a proposal by Cabinet for the Council to be able to reach a legal and balanced budget position for the 2024/25 financial year. The report also includes another option following the receipt of a proposal by the Independent Group.

This report sets out the Council Tax recommendations for setting local taxation levels for 2024/25. We are also able to propose the formal resolution to Council when it meets later today as we have received notification of the precepts of the Police and Crime Commissioner and all Town and Community Councils within Flintshire.

Cabinet is invited to make final recommendations to Council to set a legal and balanced budget based on the detail as set out in this report.

A full presentation will be made at County Council.

The report includes the following tables:

- Table 1: Remaining Additional Budget Requirement 2024/25
- Table 2: Final Proposed Budget Solutions 2024/25
- Table 3: Proposed Budget 2024/25
- Table 4: School Budget Adjustments
- Table 5: Social Care Budget Adjustments
- Table 6: Medium Term Forecast 2025/26 – 2026/27

RECOMMENDATIONS

1	That Cabinet notes and approves the revised additional budget requirement for 2024/25.
2	That Cabinet approves the final proposals for the cost reductions that will contribute to the budget.
3	That Cabinet recommends to Council a legal and balanced budget based on the calculations and two options set out within this report.
4	That Cabinet notes the significant open risks which remain to be managed in the 2024/25 financial year.
5	That Cabinet recommends an overall annual increase in Council Tax for 2024/25 based on the two options provided.
6	That Cabinet invites Council to pass the formal Council Tax resolution now that we have had notification of the precepts of the Police and Crime Commissioner and all Town and Community Councils within Flintshire.
7	That Cabinet notes the medium-term forecast as a basis for the next revision of the Medium-Term Financial Strategy (MTFS).

REPORT DETAILS

1.00	EXPLAINING THE COUNCIL FUND REVENUE BUDGET 2024/25
1.01	<p>The Additional Budget Requirement</p> <p>From last July, Members have received regular updates on the Council's challenging budget position for the 2024/25 financial year and the additional budget requirement for 2024/25 has been continuously revised to consider the latest available information.</p> <p>Cabinet and Corporate Resource Overview and Scrutiny Committee received an update on the key headlines and financial impacts of the Welsh Local Government Provisional Settlement in January, together with an update on an increased additional budget requirement of £33.187m for the 2024/25 financial year. At that stage there was a remaining 'budget gap' of £12.946m.</p> <p>Two Member briefings were also held in January, prior to additional cost reduction proposals being considered by specific overview and scrutiny committees in February. Work has continued to review the overall position in conjunction with a recent announcement from Welsh Government on an expected consequential from UK Government.</p> <p>This work has now been concluded and the outcome is set out in the report.</p> <p>The report sets out a proposal by Cabinet for the Council to be able to reach a legal and balanced budget position for the 2024/25 financial year. The report also includes another option following the receipt of a proposal by the Independent Group.</p>
	Additional Budget Requirement - Changes since the January Report
1.02	<p>Homelessness demand</p> <p>The Council continues to experience high and increasing demand for temporary accommodation to meet its statutory obligations to accommodate families and persons that present themselves as homeless and this is expected to continue. The initial budget requirement included an additional amount of £2m, however, this is anticipated to fall significantly short based on current demand levels.</p> <p>The Council is continuing to explore a number of options to provide other solutions which will reduce costs, but it is difficult to predict how much impact these will have during the 2024/25 financial year due to volatility and the impacts of the wider economy. To assist with mitigating this significant financial risk, an additional amount of £0.500m has now been included in the budget.</p>
1.03	<p>Out of County Placements</p> <p>The Council is continuing to experience an increase in the numbers and complexity of children that require support from the Out of County Placement budget. The previous budget requirement included an additional amount of</p>

	£0.500m. However, the Month 9 revenue budget monitoring report (also on this agenda) shows a projected overspend of £1.6m so an additional £1m has been included in the budget to reflect current demand levels, bringing the total to £1.5m.																		
1.04	<p>The changes in the additional budget requirement are summarised below:</p> <p>Table 1: Remaining Additional Budget Requirement 2024/25</p> <table border="1"> <thead> <tr> <th></th> <th>£m</th> <th>Paragraph</th> </tr> </thead> <tbody> <tr> <td>Remaining Gap - January Report</td> <td>12.946</td> <td></td> </tr> <tr> <td>Additional Cost Pressures:</td> <td></td> <td></td> </tr> <tr> <td>Homelessness Demand</td> <td>0.500</td> <td>1.02</td> </tr> <tr> <td>Out of County Placements</td> <td>1.000</td> <td>1.03</td> </tr> <tr> <td>Revised Remaining Gap</td> <td>14.446</td> <td></td> </tr> </tbody> </table>		£m	Paragraph	Remaining Gap - January Report	12.946		Additional Cost Pressures:			Homelessness Demand	0.500	1.02	Out of County Placements	1.000	1.03	Revised Remaining Gap	14.446	
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	Proposed Solutions to meet the Revised Additional Budget Requirement																		
1.05	<p>Aggregate External Finance (AEF)</p> <p>The Welsh Local Government Provisional Settlement was announced on 20 December and full details were included in the January Cabinet report.</p> <p>The provisional Aggregate External Funding (AEF) represents a cash uplift of £5.560m over the 2023/24 amount of £251.995m, which is an increase of 2.2%. (All Wales Average is an increase of 3.1% ranging from 2% to 4.7%).</p> <p>On 24 January, the UK Government announced it would increase funding to local authorities in England by £600m. As a result of this, Welsh Government are expected to receive a consequential sum of £25m.</p> <p>The Minister for Finance and Local Government has confirmed how Welsh Government will distribute this funding. The anticipated reduction of £10.6m in the Social Care Workforce Grant will now be reversed and the remaining £14.4m will be allocated to the Revenue Support Grant in the final settlement on 27 February.</p> <p>The basis of allocation to individual authorities is not yet known but is estimated at £0.675m based on our Standard Spending Assessment allocation and it is considered reasonable to now include this amount in our funding estimates.</p>																		
1.06	<p>Portfolio Cost Reductions</p> <p>Initial options for portfolio cost reductions were referred to a series of specific Overview and Scrutiny meetings which were held during the Autumn together with relevant cost pressures. These initial cost reduction proposals totalled £1.538m. This was subsequently reduced to £1.535m following removal of one of the proposals.</p>																		

	<p>Due to the scale of the financial challenge facing the Council for 2024/25 and the disappointing provisional settlement, all portfolios were tasked with finding further cost reductions of up to 7.5%.</p> <p>The additional options for cost reductions were considered at Overview and Scrutiny meetings held in February and following specific feedback the following amendments have been made:</p> <ul style="list-style-type: none"> - Removal of the bus subsidy cost reduction (£0.510m) - Removal of the Food Waste Charging proposal (£0.010m) - Removal of the waste collection frequency proposal (£0.274m) - Removal of cost reductions on Connects Centres (£0.100m) - Removal of Public Conveniences proposal (£0.078m) - Removal of Modern Apprentice proposal (£0.138m) <p>The revised total amount included from the additional portfolio cost reductions is £3.552m.</p>
1.07	<p>Schools – Cost Reductions</p> <p>Given the unprecedented scale of the financial challenge the Council has faced this year there has been a need for all portfolios to make cost reductions, and a reduction will also need to be applied to the delegated budgets of our schools.</p> <p>A 3% reduction on delegated school budgets (at 2023/24 level) will be required and this provides a contribution of £3.273m towards the budget requirement.</p> <p>(Para 1.21 provides further analysis of school budgets).</p>
1.08	<p>Social Care – Commissioning Costs</p> <p>Social Care budgets have been protected in recent years and commissioning costs have increased above average across North Wales for the current financial year.</p> <p>An increase at similar levels is not sustainable due to the Council only receiving an increase of 2.2% in its annual Welsh Government settlement.</p> <p>Therefore, the Council will need to provide a much more prudent uplift in 2024/25 which has been reflected in the estimates and will be subject to negotiation with care providers – this will reduce our cost base by £1.686m.</p>
1.09	<p>Additional Cost Reductions</p> <p>There have been two further cost reductions confirmed since the recent Overview and Scrutiny meetings which have also now been included in the budget.</p> <p>The final North Wales Fire and Rescue Levy provided a further reduction of £0.197m and was verbally referred to at the Corporate Resources Overview and Scrutiny Committee and there has been a further reduction of £0.010m following a further review of borrowing costs.</p>

1.10 Council Tax

The level of annual increase in Council Tax is a decision for Full Council.

Based on the final additional budget requirement of £14.446m an overall annual increase of **8%** is required on Council Tax for Council Services and **1.1%** for additional contributions to North Wales Fire and Rescue Service and the Regional Coroners Service.

This equates to an overall uplift of 9.1% and provides overall additional net yield of £9.072m in 2024/25.

This amounts to an annual increase of £138.44 per annum and brings the Council Tax on a Band D equivalent property to £1,659.77 (£2.66 per week equivalent).

Police Precept/Town and Community Councils

The Police Precept and Town and Community Council Precepts for 2024/25 have all been notified to the Council as the Council Tax collection authority and a separate report on the Council agenda later today sets out the formal resolutions.

1.11 Table 2: Final Proposed Budget Solutions

	£m
Revised Additional Budget Requirement (as in Table 1)	14.446
Add back previously reported:	
Council Tax Assumption in solutions	5.431
Adjusted Efficiency from September Options	0.003
Adjusted Efficiency at Final Stage	0.010
Amount Required to balance budget	19.890
Less:	
Contribution from Schools	(4.698)
New Portfolio Cost Reductions (Including removal of pressures)	(3.552)
Commissioning Fees	(1.686)
Reduced Borrowing Costs	(0.010)
Reduction in Fire Levy	(0.197)
Amount Remaining to balance budget	9.747
Council Tax (9.1%)	9.072
Additional Welsh Government AEF	0.675
Amount Remaining	0.000

1.12 **Summary and Conclusions**

A legal and balanced budget for 2024/25 can be recommended by Cabinet to Council based on (1) the calculations and assumptions set out above, and (2) the detailed proposed budget as set out below.

1.13 **Table 3: Proposed Budget 2024/25**

Funding	£m
Aggregate External Funding (AEF) / RSG NNDR	258.230
Council Tax	109.679
SSA/Budget Requirement	367.909
Use of Reserves (2024/25 Only)	0.172
Specific Grants (Appendix 6)	45.679
Total Funding	413.760
Expenditure	£m
Base Budget Rolled Forward	395.133
Previous Years Growth/Items Dropping Out (Appendix 1)	0.757
Inflation (Appendix 2)	14.963
Pressures & Investments (Appendix 3)	15.113
Cost Reductions	
Portfolio (Appendix 4)	(4.110)
Corporate Financing (Appendix 5)	(10.763)
Grants	
Less Specific Grants 2023/24	(43.012)
Plus Specific Grants 2024/25 (Estimated Appendix 6)	45.679
Total Expenditure	413.760
Balance	0.000

	Open Risks 2024/25
1.14	<p>Pay</p> <p>The proposed budget includes pay inflation for 2024/25 at 5% for both teaching and non-teaching staff which will still be unknown at the time of setting the budget. Should national pay agreements conclude at a higher level, this would mean the difference would need to be met from Council Reserves in 2024/25, which has been the case for the last two financial years.</p> <p>The outcome of the pay modelling review to address ongoing recruitment and retention challenges represents a further risk which will need to be considered as part of its agreement and prior to implementation.</p>
1.15	<p>Supreme Court Judgement – Harpur Trust and Brazel</p> <p>The potential financial impacts are still being determined in response to the Employment Appeal Tribunal (EAT) decision in the case of Harpur Trust v Brazel. The Supreme Court upheld the EAT judgment in the Brazel case in July 2022 which impacts on the calculation of holiday pay entitlements for staff who work for part of the year (i.e., term time). An approved carry forward from 2022/23 for £0.254m will provide some funding towards these costs.</p> <p>Changes to Holiday Pay from 1 April 2024</p> <p>As a result of the Harpur Trust v Brazel case referred to above, the UK government announced a host of changes to the current rules surrounding holiday pay. The headline changes which will take effect for holiday years commencing 1 April 2024 onwards, include:</p> <ul style="list-style-type: none"> · Re-introducing rolled-up holiday pay for irregular hours and part-year workers · Re-introducing the 12.07% of hours worked calculation method for irregular hours and part-years workers · Changes to the definitions of a week’s pay for holiday pay calculations <p>The impact of these changes are still being determined.</p>
1.16	<p>Homelessness</p> <p>This remains a significant open risk as set out in 1.02 above.</p>
1.17	<p>Out of County Placements</p> <p>This remains a significant open risk as set out in 1.03 above.</p>
1.18	<p>Waste Recycling – Infraction Charges</p> <p>The Council did not meet the statutory minimum target, (64%) in 2021/22, for the percentage of municipal waste which must be recycled, prepared for re-use and composted, as specified in Section 3 of the Waste (Wales) Measure 2010. Welsh Government can therefore take steps to impose a penalty on the Council by way of an infraction fine. A potential penalty of up to £0.663m has been confirmed so continues to present a significant financial risk to the Council.</p>

	<p>Discussions have taken place between Welsh Government and the Council as to the reasons for not achieving the target. The Council has subsequently been instructed by Welsh Government to engage with the Waste and Resources Action Programme (WRAP) and Local Partnerships to review our waste strategy and develop a new action plan. Depending on the outcome of the review, the Minister will take a decision at that point whether to levy the fine.</p> <p>Unfortunately, the statutory recycling targets have also not been achieved in 2022/23 (non-verified), which means that a further infraction fine could be levied of around £0.470m should Welsh Government choose to do so, and monitoring of the authority's recycling performance for 2023/24 to date shows that the rates of recycling and residual waste tonnages are not improving, which could lead to a further missed target in 2023/24 also. Current total known risk is £1.133m.</p>
1.19	<p>Budget Risk Reserve</p> <p>A combination of continued high inflation, service demand and a much lower than anticipated Welsh Government funding settlement has meant that there is an increased degree of risk in the budget proposals than in previous years.</p> <p>Historically, demand levels for both homelessness presentations and out of county placements have been difficult to predict. A balance needs to be struck between providing a reasonable level of additional recurring base budget provision (taking into account affordability) and ensuring that the Council has sufficient reserves set aside to meet the potentially significant additional costs should they materialise.</p> <p>Based on current demand levels the level of risk in 2024/25 is far greater than in previous years. Therefore, it is recommended that a 'budget risk' ring fenced reserve of £3m is created to mitigate any additional costs in-year whilst a more sustainable solution is established for 2025/26. This funding will need to be ringfenced within the Contingency Reserve.</p>
1.20	<p>Specific Grants</p> <p>We are still awaiting confirmation of some specific grants. The most significant is the Sustainable Waste Management Grant which is still to be confirmed on an all-Wales basis for 2024/25 onwards.</p> <p>Details of the specific grants we are aware of currently are included in Appendix 6.</p>
	<p>School and Social Care Budgets</p>
1.21	<p>Schools' Budget</p> <p>Ensuring our learners receive the highest standards of education in our schools has always, and continues to be, a priority for the Council. The Council has always sought to protect front line education services (schools' budget) as far as possible.</p>

The school's budget is the largest budget within the Council and given the scale of the challenge in setting a balanced budget this year it has not possible to fully protect the schools budget from reductions.

However, the Council recognises the increasing demands, challenges, and risks that schools are currently facing.

The table below provides the details of an overall increase of 3.5% in funds for schools in 2024/25.

Table 4: School Budget Adjustments

Pressures / Cost Reductions	£m
Teachers Pay Awards (2023/24 & 2024/25)	5.295
Non-teaching Pay Awards (2023/24 & 2024/25)	2.751
NDR Transitional Rate Relief (Schools Element)	0.065
NDR Multiplier Increase 5% (Schools Element)	0.082
Free School Meals (Term Time)	0.615
Inclusion and Progression - Specialist Mobile Classroom Provision	0.167
Total Increase in Schools Budget	8.975
Less:	
Energy (Reduction in cost)	(0.600)
Demography (Reducing Pupil Numbers)	(0.675)
Schools share of the triennial actuarial review of the Clwyd Pension Fund	(0.432)
3% budget reduction	(3.273)
Total Net Uplift to School Budgets 2024/25	3.995

In addition to the above, the Council will not be able to make its contribution of £0.750m to assist schools in deficit in 2024/25. It is anticipated that this will be one off in 2024/25 although this will need to be revisited as part of work on the 2025/26 budget.

1.22 Social Care Budget

The 2024/25 budget includes a 7.44% increase for Social Care to meet the estimates of current demand and the additional costs of commissioned care.

The Social Care sector remains under significant pressure from increased demand and inflationary pressures with costs for commissioned care increasing. The need to support care providers to continue to operate safely and maintain market stability remains a challenge.

Recruitment and retention of care workers within the social care sector and particularly in homecare settings continues to present difficulties. Whilst the Real Living Wage has been adopted for all registered carers in Flintshire the sector does, in terms of hourly pay rates pay below comparable sectors such as Supermarkets. Homecare is one of the most cost-effective types of social care and service shortages will result in increased pressure and demand on other, more expensive, types of care.

The recruitment and retention of experienced Social Workers is a significant challenge which is resulting in a higher turnover of staff and increasing long term vacancies which will result in an increased use of more expensive agency workers. Should social worker vacancies not be filled, then safeguarding risks will increase for some of the most vulnerable people within Flintshire.

The table below provides the details to the overall increase of 7.44% in funding to Social Care in 2024/25.

Table 5: Social Care Adjustments

Pressures / Cost Reductions	£m
Social Care Pay Awards (2023/24 & 2024/25)	2.668
Social Care Commissioning Costs	3.451
Out of County Placements	1.125
Transition to Adulthood	0.840
Childrens Services Group Homes	0.400
NEWCES Contribution Increase	0.030
Increased Homecare Capacity	0.100
Social Worker Pay Review	0.115
Newydd and EDT Inflationary Pressures	0.130
Less 2024/25 Portfolio Cost Reductions (including removal of pressures)	(1.040)
Social Care share of the triennial actuarial review of the Clwyd Pension Fund	(0.445)
Total Net Uplift to Social Care Budgets 2024/25	7.374

1.23 Reserves and Balances

Earmarked Reserves

The Council holds earmarked reserves which are set aside for specific purposes. Some are restricted in their use by, for example, the terms and conditions of grant where their source is government funding. An update on current projected levels of earmarked reserves shows that the amount is likely to reduce from £12.4m to £9.2m by the end of the 2024/25 financial year as these reserves are 'drawn down' (See Appendix 7).

The Council reviews its remaining earmarked reserves on an ongoing basis, and only those for which there is a strong business case will be retained with the remainder being released for use as part of the Medium-Term Financial Strategy.

1.24 Un-Earmarked Reserves

The Council holds a base level of reserves of £5.769m which is a relatively low level of base reserves and has not been increased for some time. The base level represents the Councils last line of defence in the event of a significant unforeseen financial issue arising.

The current base level equates to only 1.6% of the net revenue budget in 2023/24 which is much lower than most Councils and now too low for an Authority of this size.

The Month 9 revenue monitoring report (also on this agenda) advises that an amount of £3.212m is still remaining from the previously set aside COVID-19 Hardship Fund which was retained to safeguard against ongoing financial risks from the pandemic following the cessation of the Welsh Government Hardship Fund. As there have been no claims in the last quarter it is recommended that the full amount is transferred to Base Level Reserves, increasing the amount to £8.981m (2.44% of the proposed 2024/25 Net Budget).

Levels of unearmarked reserves over and above this figure are referred to as the Contingency Reserve. This reserve is projected to be at £5.108m at year end based on the Month 9 2023/24 revenue budget monitoring report – this will reduce to £2.108m when the Budget Risk Reserve of £3m is taken into account.

The budget proposals within the report also utilise £0.172m of unearmarked reserves to meet the costs of time-limited pressures and to temporarily bridge the gap of a part year cost reduction proposal.

Taking all the above into account would leave a projected contingency reserve remaining of £1.936m.

1.25 Budget Options

In addition to the proposals included within the report another option has also been submitted by the Independent Group. Whilst the majority of the information contained within the report is relevant to both options the summary below details the specific proposals.

Proposed Changes	£m
<i>Included in both options</i>	
Remove Bus Subsidy reduction	0.510
Remove Waste Frequency reduction	0.274
Remove Connects changes proposal	0.100
Remove Public Conveniences reduction	0.078
Remove Food Waste Charging proposal	0.010
<i>Not included in other option</i>	
Remove Black Bin Fee proposal	0.040
Remove Car Parking Charges proposal	0.038
Remove Compost Charging proposal	0.010
Remove Garden Waste Charging proposal	0.002
Transfer to Reserves	0.436
Overall Total	1.498

The above proposal requires the utilisation of the additional Welsh Government AEF of £0.675m and an overall Council Tax increase of 9% (7.9% for Council Services and 1.1% for regional contribution for Fire Levy and Coroners)

	<p>The main difference between the two options is that there is a contribution to Reserves of £0.436m within this option to safeguard against risks, whereby the other option includes an additional £0.500m directly allocated to the homelessness budget.</p> <p>This option also still assumes the cost reduction of £0.138m for Modern Apprentices – adding this back in would require an increase in the Council Tax uplift to 9.1% together with a reduction to the transfer of reserves of £0.026m to £0.410m.</p> <p>It is considered that the above proposal does amount to a valid legal and balanced option although this will be worked through in detail in advance of the meeting.</p>
1.26	<p>Formal Advice of the Corporate Finance Manager</p> <p>Section 25 of the Local Government Act 2003 includes a specific duty on the Chief Finance Officer (for Flintshire this is the Corporate Finance Manager) to report to the Council when it is considering its budget and Council Tax setting on the robustness of the estimates and the adequacy of reserves. The Act requires the Council to have regard to this report in making its decisions on its budget.</p>
1.27	<p>The 2024/25 budget has again been set within the context of the Medium-Term Financial Strategy and during a year which has seen the continuation of relatively high inflation levels and interest rates. The Council has utilised its COVID-19 Hardship Reserve to deal with some of the legacy impacts of the pandemic although the calls on this time limited reserve have significantly diminished.</p>
1.28	<p>For the estimates contained within the budget, all figures are supported by a clear and robust methodology. The cost reduction proposals have all been risk assessed and reported to members as part of the overview and scrutiny process – inevitably the proposals contain a far higher degree of risk than in previous years. The cost pressures are supported by evidenced method statements.</p>
1.29	<p>The Council's Reserves and Balances Protocol sets out how the Council will determine, manage, and review the level of its Council Fund Balance and earmarked reserves, taking into account legislation and professional guidance. An outcome of this protocol was to report to both Cabinet and Corporate Resources Overview and Scrutiny Committee the level of earmarked reserves held on a quarterly basis. This has been continued throughout 2023/24 through the monthly budget monitoring report, with a detailed challenge of earmarked reserves undertaken throughout the summer which resulted in an amount of £0.898m being released from earmarked reserves back to the general contingency reserve. This process ensures that Members have a good understanding of all the reserves held by the Council.</p>
1.30	<p>I can confirm the reasonableness of the estimates contained in the proposed budget having regard to the Council's spending needs in 2024/25 and the financial context within which the budget is being set. It is clear that there continues to be some significant open risks within the 2024/25 budget</p>

	<p>proposals, particularly around service demand for homelessness and out of county placements. The increase in our Aggregate External Finance (AEF) for 2024/25 is very disappointing. There are no indicative allocations for 2025/26 and beyond although the fiscal outlook is looking even more challenging than the settlement for 2024/25.</p> <p>Therefore, it is important that, as far as it is able, the Council protects its current level of reserves to safeguard against these risks. Effective and disciplined in-year financial management is essential to ensure that budgets are managed effectively - with prompt action taken to mitigate any impacts should variances occur.</p>
1.31	<p>I recommend that Council should increase its Base Level of Reserves to a more reasonable level from £5.769m to £8.981m – this can be done by transferring the remaining amount in the COVID-19 Hardship Reserve which was always meant to be a temporary measure.</p> <p>Due to the high level of risk included in the budget proposals I also recommend that a separate budget risk reserve of £3m is set aside to safeguard the Council against any significant potential overspends should demand levels not reduce for areas such as homelessness and out of county placements.</p> <p>The projected remaining amount in the contingency reserve of £1.936m provides a further safeguard against other unforeseen expenditure.</p>
1.32	<p>The budget proposals require an appropriate use of £0.172m of unearmarked reserves to meet the costs of time limited cost pressures and to temporarily bridge the gap of a part year cost reduction.</p>
1.33	<p>Formal Advice of the Chief Executive</p> <p>My professional advice complements that of the Corporate Finance Manager, as set out above.</p>
1.34	<p>The draft budget as presented follows the Medium-Term Financial Strategy (MTFS) adopted by the Council. It has been developed according to the budget setting model which has been adopted by the Council, and our principles and values.</p>
1.35	<p>We have taken a prudent and balanced approach to our annual budget, as required by law and the principles of good governance, whilst protecting the public service duties and obligations of the Council. Our budget-setting process is an intricate one, with all decisions being carefully risk-assessed.</p>
1.36	<p>We have advised Council throughout that this is an extremely challenging budget set in a period of economic volatility, much of this is outside of our control. Portfolios have scrutinised their respective service areas closely and in the context of risk considered these and the wider impacts on the council and the communities it serves. The poor settlement by Welsh Government created increased challenge and risk within portfolios and required further work to identify additional cuts, these were reported back to scrutiny in February.</p>

	<p>There are no further cost reductions or cost efficiencies of scale beyond those reported in the budget-setting process. Our strategy for achieving a legal and balanced budget was heavily reliant on the sufficiency of Government funding for local government and public services; the provisional settlement at 2.2% is disappointing and will lead to an increased risk profile for the Council going forward.</p>						
1.37	<p>Looking ahead the outlook remains uncertain with wider global events impacting on inflation and the cost of living. Although the Bank of England forecasts inflation falling throughout 2024, economic growth will remain weak, and the impacts of the war in Ukraine, Brexit and the pandemic will continue to work through the economic systems, as such the future financial position will continue to remain volatile and subject to many challenges through the coming financial years. This position at an all-Wales level is reinforced by future financial projections by the Wales Institute of Fiscal Studies (refer to para 1.40).</p>						
1.38	<p>As noted, a number of significant ‘open risks’ remain to be managed and we will again need to adopt ongoing fiscal control in-year throughout 2024/25 particularly in relation to those more volatile services which are generally delivered to those who are in greatest need and most vulnerable within our communities. Our advice on risk management and how it affects setting a prudent budget needs to be carefully heard.</p>						
1.39	<p>It is important that we continue to plan for the medium-term and work with Governments on a sustainable funding model for local government avoiding where possible an over-reliance on Council Tax as a form of local income. Positive work on a sustainable funding model does seem to be gaining traction with encouraging signs from within Welsh Government on the funding formula, this is to be welcomed but greater urgency is needed as well as ongoing work. A level of communication with Welsh Government is necessary to ensure the funding landscape for Flintshire is improved.</p> <p>If we are to effectively respond to anticipated future reduced financial settlements, it will require increased emphasis on service transformation and cost reduction. This work will be difficult and impact all services within the Council as many have already been extensively reshaped and reduced, what remains is already incredibly ‘lean’.</p>						
1.40	<p>Medium Term Financial Forecast</p> <p>The financial forecast for the medium-term, for the financial years – 2025/26 – 2026/27, have been reviewed in readiness to update the MTFS. A high-level estimate on the major cost pressures predicted over the next two years following this budget is included in Table 6. The forecast includes (1) potential annual pay awards of 5%; (2) commissioning cost pressures within Social Services, and (3) other known cost pressures.</p> <p>The figures below show the minimum budget requirement.</p> <p>Table 6: Medium Term Forecast</p> <table border="1"> <thead> <tr> <th>Cost Pressure Group</th> <th>2025/26 (£m)</th> <th>2026/27 (£m)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Cost Pressure Group	2025/26 (£m)	2026/27 (£m)			
Cost Pressure Group	2025/26 (£m)	2026/27 (£m)					

	Pay Inflation	11.172	11.783
	Non-Pay Inflation	2.442	2.223
	Social Care Pressures	8.490	8.025
	Other Pressures	6.147	0.733
	Total	28.251	22.764
1.41	The 2024/25 Provisional Settlement excluded an indicative all-Wales revenue allocation for 2025/26. Forecasts from the Wales Institute of Fiscal Studies predict that settlements over the next two years could be less than 1% or cash flat. Therefore, it is essential that the Council prioritises work to address the major differential between its anticipated increases to operating costs compared with anticipated increases in income streams.		
1.42	<p>Concluding Advice to Close the Budget</p> <p>Council is able to set a legal and balanced budget for 2024/25 based on the calculations and advice set out in this report and can fulfil its collective legal responsibility.</p> <p>Two options have been included within the report for consideration by Cabinet and Council and both sets of proposals would meet the requirement of being a legal and balanced budget as required by law.</p>		
1.43	<p>The timetable for the closing stages of the annual budget setting process is as follows: -</p> <p>20 February 2024 Council Meeting: Final budget-setting decisions including final agreement on the level of Council Tax and the passing of the Council Tax Resolution.</p> <p>27 February 2024: Announcement of the Final Welsh Local Government Settlement.</p> <p>If there are any further minor changes it is recommended that a relevant contribution to / from reserves is included as an adjustment to the budget.</p>		

2.00	RESOURCE IMPLICATIONS
2.01	<p>Revenue: the revenue implications for the 2024/25 budget are set out in the report.</p> <p>Capital: there are no new implications for the approved capital programme for either the current financial year or for future financial years.</p> <p>Human Resources: Any implications for increased/reduced capacity within portfolios are as set out in the report. Any implications for schools would be a consideration for each individual school based on the funding received through the Schools Funding Formula.</p>

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT	
3.01	Ways of Working (Sustainable Development) Principles Impact	
	Long-term	Negative – the absence of longer-term funding settlements from Welsh Government means that sustainable support for service delivery is challenging for the longer term. Sustainable funding from Welsh Government that provides additional funding for Indexation, Service demands, and new legislation will provide a positive and sustainable position for the Council in the longer term.
	Prevention	As above
	Integration	Neutral Impact
	Collaboration	Services continue to explore opportunities for collaboration with other services and external partners to support positive impacts.
	Involvement	Communication with Members, residents and other stakeholders throughout the budget process.
	Well-Being Goals Impact	
	Prosperous Wales	Longer term funding settlements from Welsh Government that provide additional funding for indexation, service demands, and new legislation will aid sustainability and support a strong economy that encourages business investment in the region. The opposite will be true if settlements are inadequate.
	Resilient Wales	Continuation of services to support communities and social cohesion will have a positive impact. The opposite will be true if settlements are inadequate.
	Healthier Wales	An appropriate level of funding will ensure that communities are supported and will have a positive impact. The opposite will be true if settlements are inadequate.
	More equal Wales	A positive impact with greater parity of funding from Welsh Government for all Welsh Local Authorities. The opposite will be true if settlements are inadequate.
	Cohesive Wales	Appropriate level of funding will support services working alongside partners. The opposite will be true if settlements are inadequate.
	Vibrant Wales	As Healthier and Cohesive Wales above

	Globally responsible Wales	Neutral impact.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	<p>Overview and Scrutiny Committees – all cost pressures and cost reductions have been subject to relevant scrutiny and a summary of feedback has been considered in the preparation of final proposals and is include as Appendix 8.</p> <p>Chief Officer Team, the Finance Team, Cabinet Members, Group Leaders and Scrutiny Committees, School Forums. Workforce conferences have been held for employees.</p>

5.00	APPENDICES
5.01	<p>Appendix 1: Prior Year Decisions Appendix 2: Inflation Appendix 3: Pressures Appendix 4: Cost Reductions - Portfolios Appendix 5: Cost Reductions – Corporate Financing Appendix 6: Specific Grants 2024/25 Appendix 7: Balances & Reserves Appendix 8: Feedback from February 2024 Scrutiny Meetings</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>The series of preparatory budget reports for the 2024/25 financial year. The series of presentations made to Cabinet and Council for the 2024/25 financial year.</p>

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Gary Ferguson, Corporate Finance Manager Telephone: 01352 702271 E-mail: gary.ferguson@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Medium Term Financial Strategy (MTFS): a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p>

Revenue: a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.

Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.

Revenue Support Grant: the annual amount of money the Council receives from Welsh Government to fund what it does alongside the Council Tax and other income the Council raises locally. Councils can decide how to use this grant across services although their freedom to allocate according to local choice can be limited by guidelines set by Government.

Specific Grants: An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.

Welsh Local Government Association: the representative body for unitary councils, fire and rescue authorities and national parks authorities in Wales.

Financial Year: the period of 12 months commencing on 1 April.

Local Government Funding Formula: The system through which the annual funding needs of each council is assessed at a national level and under which each council's Aggregate External Finance (AEF) is set. The revenue support grant is distributed according to that formula.

Aggregate External Finance (AEF): The support for local revenue spending from the Welsh Government and is made up of formula grant including the revenue support grant and the distributable part of non-domestic rates.

Provisional Local Government Settlement: The Provisional Settlement is the draft budget for local government published by the Welsh Government for consultation. The Final Local Government Settlement is set following the consultation.

Funding Floor: a guaranteed level of funding for councils who come under the all-Wales average change in the annual Settlement. A floor has been a feature of the Settlement for many years.

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BUDGET 2024/25 - COUNCIL FUND REVENUE	
Prior Years Growth / Items Dropping Out	£m
<u>Central & Corporate</u>	
Minimum Revenue Provision	0.206
Private Water Supplies	(0.052)
21C Schools Band B Borrowing Costs	0.603
TOTAL - PRIOR YEARS	0.757

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BUDGET 2024/25 - COUNCIL FUND REVENUE
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Inflation	£m
<u>23/24 Pay Inflation</u>	
NJC Pay Award Estimate (Non Schools) - 23/24	1.694
NJC Pay Award Estimate (Schools) - 23/24	1.033
<u>24/25 Pay Inflation</u>	
NJC Pay Award Estimate (Non Schools)	4.767
NJC Pay Award Estimate (Schools)	1.718
Teachers Pay Award - Prior Year	1.152
Teachers Pay Award - April to August	1.671
Teachers Pay Award - Sept to March 24	2.472
<u>Service Contract Inflation</u>	
ADM's / CAT's Service Contract Inflation	0.365
<u>Other Inflation</u>	
CJC/Growth Deal Inflation	0.017
Business Systems Inflationary Rises	0.075
TOTAL - INFLATION	14.963

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BUDGET 2024/25 - COUNCIL FUND REVENUE
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Pressures & Investments	£m
<u>Central & Corporate</u>	
North Wales Fire and Rescue - Levy increase	0.969
Audit Fees	0.040
Apprentice Tax Levy	0.070
Bank Charges	0.070
Capital Borrowing Costs 22/23	0.058
Coroners Service - Increase	0.058
Croes Atti Extension Borrowing Costs	0.129
SubTotal - Central & Corporate	1.394
<u>Education & Youth</u>	
Joint Archive Borrowing Costs	0.005
Inclusion & Progression - Specialist Mobile Classroom Provision	0.167
Sub Total - Education & Youth	0.172
<u>Governance</u>	
Independent Remuneration Panel for Wales (IRPW)	0.112
Schools Information Management System	0.123
Microsoft Power B1 Licences	0.032
IT Technician Cyber Security	0.037
Microsoft E5 Security Licences	0.137
NDR Transitional Relief	0.131
NDR Increase in Multiplier	0.131
Security, Information & Event Management (SIEM) Solution	0.162
Network Connected Device Compliance & Assurance Solution	0.042
IT Technician Schools	0.032
Sub Total - Governance	0.939
<u>Housing & Communities</u>	
Homelessness Demand	2.500
Council Tax Reduction Scheme (CTRS)	0.480
Sub Total - Housing & Communities	2.980
<u>Out of County Placements</u>	
Out of County Placements	1.500
SubTotal - Out of County Placements	1.500
<u>Planning, Environment & Economy</u>	
Additional Licensing Scheme for HMO's	0.144
Private Water Supplies	0.047
Sub Total - Planning, Environment & Economy	0.191
<u>Schools</u>	
Additional Capacity for Supporting Schools with Safeguarding	0.030
Free School Meals (Term Time)	0.615
EOTAS/Specialist Provision - Estyn Inspection	0.075
Schools H & S Monitoring Officer	0.050

Pressures & Investments	£m
Sub Total - Schools	0.770
<u>Social Services</u>	
Social Care Commissioning	3.451
NEWCES Contribution Increase	0.030
Newydd & Emergency Duty Team Uplift	0.130
Social Worker Pay Review	0.115
Transition to Adulthood	0.840
Children's Services Group Homes	0.200
Sub Total - Social Services	4.766
<u>Assets</u>	
ADM's / CAT's Other Pressures	0.056
ADM Additional Support (One off)	0.024
Sub Total - Assets	0.080
<u>Streetscene & Transportation</u>	
Mayrise Replacement	0.085
Recycling & Compliance Officers	0.133
Assistant Fleet Manager	0.055
ULEV Transition Officer	0.049
Fleet Contract Renewal	2.000
Sub Total - Streetscene & Transportation	2.321
TOTAL - PRESSURES & INVESTMENTS	15.113

BUDGET 2024/25 - COUNCIL FUND REVENUE
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Efficiencies - Portfolio	£m
<u>Assets</u>	
Strategic Funding	(0.028)
Rent Review - Commercial Assets	(0.021)
Valuation & Estates restructure	(0.010)
ADM's	(0.065)
Total - Assets	(0.124)
<u>Chief Executives</u>	
Executive Office - promotions	(0.010)
Sub Total - Chief Executives	(0.010)
<u>Education & Youth</u>	
GwE - Reduction in Contribution	(0.099)
Early Entitlement - Reduced numbers accessing Early Entitlement	(0.075)
Adult Community Learning - Income generation	(0.010)
Youth Services - Buildings Asset transfer of some buildings	(0.032)
Business Support Review	(0.032)
School Planning & Provision - Mobile Classrooms	(0.010)
School Planning & Provision - Transition Funding	(0.010)
Inclusion & Progression - Contribution towards PEP Caseworker	(0.020)
Sub Total - Education & Youth	(0.288)
<u>Governance</u>	
RSA Tags	(0.013)
Discretionary Rate Relief	(0.004)
Internal Audit - Removal of Vacant Posts	(0.104)
IT - Equipment reduction in requirements	(0.018)
IT - Mobile Phone contract	(0.094)
Contact Centre - Reduction in budget	(0.010)
Single Person Discount Review 24/25	(0.250)
Cash in Transit	(0.012)
Procurement - Reduction in contribution	(0.009)
HRA Recharging - Management Costs Apportionment	(0.027)
Granicus - GovDelivery	(0.025)
Registration Services	(0.040)
Graphic Design	(0.039)
Sub Total - Governance	(0.645)
<u>Housing & Communities</u>	
CTRS Efficiency from use of reserve	(0.254)
Sub Total - Housing & Communities	(0.254)

<u>People & Resources</u>	
Corporate Finance - Reduction in Staffing	(0.104)
Corporate Finance - Feasibility Study Budget	(0.050)
HROD - Reduction in TU facilities budget	(0.030)
Sub Total - People & Resources	(0.184)
<u>Planning, Environment & Economy</u>	
Increase in planning fee income	(0.295)
Ambition North Wales Contribution	(0.035)
Wales Rally GB	(0.030)
Sub Total - Planning, Environment & Economy	(0.360)
<u>Social Services</u>	
Newydd Cleaning Contracts	(0.100)
Reduce Regional Contribution	(0.025)
Extra BCUHB contribution to Marleyfield	(0.040)
Service Review	(0.075)
Vacancy Management	(0.100)
Increase to Income budget - Older People Commissioning	(0.050)
Disability Day Service	(0.040)
Appointeeship service charging	(0.050)
Additional Contributions for residential care from BCUHB	(0.010)
Efficiencies to Planned Contracts with Third Sector	(0.020)
Grant Maximisation	(0.100)
Reduced NEWCES contribution	(0.010)
Grant funding for Adult Social Services 2024/25 only	(0.100)
Disability services charging for college placements pending financial assessments	(0.020)
Sub Total - Social Services	(0.740)
<u>Streetscene & Transportation</u>	
Part time opening of HWRC's	(0.250)
Increase charge for garden waste collections	(0.002)
Review/reduce service standards - Grass cutting etc.	(0.025)
Review/reduce service standards - Cemetery maintenance	(0.025)
Introduce Night Working	(0.025)
Reduce cleansing standards and enforce zero balance for littering	(0.030)
Charge customers for compost material at HWRC sites	(0.010)
In-house services e.g. weed spraying, traffic management	(0.035)
Increased charging for Car Parking including changes to permit schemes	(0.038)
Full cost recovery for supporting community events	(0.010)
Admin fee for black bins for residual waste	(0.040)
Reduce non essential services on Bank Holidays (x5)	(0.077)
Charging for DIY Waste streams at HWRC's	(0.300)
Remove vacancies for Schools Crossing Patrols	(0.084)
Remove Officer vacancies across the Portfolio	(0.294)

Charge for Trade Waste at one HRC site	(0.200)
Increase fees for Bulky Waste	(0.010)
Reduce SmartClient for Technical Support	(0.025)
Winter Maintenance Review of Weather Stations for 2024/25	(0.025)
Sub Total - Streetscene & Transportation	(1.505)
TOTAL - EFFICIENCIES	(4.110)

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BUDGET 2024/25 - COUNCIL FUND REVENUE	
Efficiencies - Corporate	£m
<u>Corporate Efficiencies</u>	
Actuarial Review	(4.000)
Corporate Loans and Investment Account	(1.000)
Fees & Charges review 2023	(0.310)
Fees and Charges Review 2024	(0.050)
Review of External Partners	(0.087)
Additional Income from Fastrack Project	(0.018)
Total - Corporate Efficiencies	(5.465)
<u>Schools Efficiencies</u>	
Utility Costs	(0.600)
School Demography	(0.675)
Reduce Delegated budget for Schools by 3%	(3.273)
Remove Schools Deficit Subsidy for 1 year	(0.750)
Total - Schools Efficiencies	(5.298)
TOTAL - EFFICIENCIES	(10.763)

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BUDGET 2024/25 - COUNCIL FUND REVENUE

Specific Grants	Budget 2023/24 £	Budget 2024/25 £	Variance £	Conf (C) or Est (E)
Education & Youth - Non Delegated				
Promoting Positive Engagement (CCG)	196,152	193,106	(3,046)	C
YOT / Youth Justice Board (inc. JAC)	223,448	223,448	0	E
Welsh Network of Healthy School Schemes	101,380	101,380	0	E
Youth Support Grant (Youth Service Revenue Grant)	469,114	469,114	0	E
Free School Milk	245,891	245,891	0	E
Families First (CCG)	1,557,706	1,533,520	(24,186)	C
Pupil Development Grant	5,736,000	3,751,070	(1,984,930)	E
Additional Learning Needs Transformation	34,031	0	(34,031)	C
Adult Community Learning	260,000	273,111	13,111	C
Feminine Hygiene	124,137	143,786	19,649	E
Education Improvement Grant for Schools	6,514,861	0	(6,514,861)	C
Universal Primary Free School Meals ***	1,136,000	2,698,323	1,562,323	E
Recruit Recover Raise Standards - the Accelerated Learning Programme	1,667,000	0	(1,667,000)	C
Transition support for Minority Ethnic & Gypsy, Roma, Traveller learners	417,000	0	(417,000)	C
LAEG - School Standards	0	7,682,840	7,682,840	C
LAEG - Equity	0	940,857	940,857	C
LAEG - Reform	0	2,849,182	2,849,182	C
LAEG - Cymraeg	0	398,258	398,258	C
LAEG - Schools Essential Grant ****	0	660,550	660,550	E
Post 16 - Learner Recovery & Progression ****	0	128,971	128,971	C
Post 16 - Transition Funding ****	0	36,590	36,590	E
Sub Total - Education & Youth (Non Delegated)	18,682,720	22,329,997	3,647,277	
Education & Youth - Delegated				
6th Form Funding (Formally DCELLs)	4,598,000	4,819,841	221,841	C
Sub Total - Education & Youth (Delegated)	4,598,000	4,819,841	221,841	
Housing & Communities				
Housing Support Grant (formerly Supporting People)	7,845,551	7,828,610	(16,941)	C
No One Left Out Approach - Homelessness ***	381,898	381,898	0	E
Discretionary Homelessness Prevention	195,103	121,358	(73,745)	C
Strategic Co-ordinator Post - Homelessness	60,000	60,000	0	E
Sub Total - Housing & Communities	8,482,552	8,391,866	(90,686)	
Planning , Environment & Economy				
Substance Misuse	517,933	517,933	0	E
Domestic Abuse Co-ordinator Funding (VAWDASV)	167,674	177,000	9,326	E
Legacy Fund	52,924	0	(52,924)	E
Communities for Work Plus	812,928	671,410	(141,518)	E
Sub Total - Planning, Environment & Economy	1,551,459	1,366,343	(185,116)	
Social Services				
Social Care Workforce Development Programme	312,069	333,488	21,419	C
Flying Start (CCG)	4,615,694	4,662,647	46,953	C
St. David's Day (CCG)	40,758	40,125	(633)	C
Childcare & Play (CCG)	97,877	142,019	44,142	C
Children and Communities Grant Project Management / Early Help (CCG)	37,359	0	(37,359)	C
Out of Court Parenting Support (CCG)	0	34,457	34,457	C
Early Intervention Parenting Support & Interparental Conflict Grant (CCG)	0	102,725	102,725	C
Childcare Admin Offer	339,762	352,045	12,283	C
Funding to Support proposals relating to eliminating profit from the care of looked after Children	501,212	561,000	59,788	C
Support for the radical reform of the care of looked after children	85,878	85,878	0	C
Sub Total - Social Services	6,030,609	6,314,384	283,775	
Strategic Programmes				
Free Swimming **	60,750	0	(60,750)	
National Exercise Referral **	123,750	0	(123,750)	
Active Young People **	257,000	0	(257,000)	
Over 60's **	30,664	0	(30,664)	
Sub Total - Strategic Programmes	472,164	0	(472,164)	
Streetscene & Transportation				
Concessionary Travel	1,900,000	1,900,000	0	C
Sustainable Waste Management ***	737,209	0	0	TBC
Bus Service Support Grant	557,000	557,000	0	C
Sub Total - Streetscene & Transportation	3,194,209	2,457,000	0	
TOTAL - GRANTS	43,011,713	45,679,431	3,404,927	

*2024/25 Budget including estimated amounts not final

** Grants now paid directly to AURA

*** To be confirmed

**** Not included on 23/24 appendix

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BUDGET 2024/25 - COUNCIL FUND REVENUE
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Summary of Council Fund Earmarked Reserves	Est Bal 01/04/24 £m	Est Bal 31/03/25 £m
<u>Service Balances</u>		
Corporate Services	0.496	0.158
Education & Youth	0.060	0.000
Housing & Communities	0.155	0.053
Planning & Environment	0.453	0.262
Social Services	0.155	0.073
Streetscene	0.000	0.000
Total - Service Balances	1.319	0.545
<u>Corporate Balances</u>		
Workforce Reserve	0.820	0.820
General Reserve - Investment in Organisational Change	0.930	0.505
Total Corporate Balances	1.750	1.325
<u>Specific Reserves</u>		
County Elections	0.075	0.075
Warm Homes Admin Fee	0.316	0.000
Waste Disposal	0.041	0.031
Design Fees	0.200	0.100
Winter Maintenance	0.000	0.250
Severe Weather	0.000	0.250
Car Parking	0.088	0.044
Insurance Funds	2.325	2.585
School HWB ICT Replacement	0.790	1.053
Flintshire Trainees	0.524	0.524
Rent Income Shortfall	0.106	0.000
Plas Derwen Wave 4	0.002	0.002
Supervision Fees	0.049	0.049
IT Infrastructure HWB	0.044	0.000
IT COVID Enquiry	0.132	0.000
Schools Intervention Reserve	0.163	0.099
Organisational Change/ADM	0.627	0.627
Solar Farms	0.062	0.062
Employment Claims	0.110	0.000
Community Benefit Fund NWRWTP	0.230	0.220
Grants & Contributions	1.856	1.402
Schools	1.607	0.000
Total Specific Reserves	9.346	7.372
Total Earmarked Reserves	12.415	9.242

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Comments made at Overview & Scrutiny Committees whilst considering the Budget 2024-25 Report – February, 2024

Education, Youth & Culture OSC – 1st February, 2024	
<u>RECOMMENDATIONS</u>	
(a) That the Education and Youth Portfolio’s options to reduce budgets be noted; and	
(b) That the proposals for the delegated schools’ budget be noted.	
Education & Youth Portfolio Budget Reductions	
Cllr Andrew Parkhurst	<p>Believe that because of the financial difficulties the Welsh Government (WG) budget has presented Council with each Portfolio has been asked to identify 7.5% of savings in order that Members could then decide which of those potential savings could be accepted or rejected and that Members would have a choice and make an informed decision.</p> <p>There is a potential saving of £303,000 identified within the Education & Youth Portfolio excluding schools, but this does not equate to a 7.5% saving. Could officers please clarify this. Also, when looking at the 8 month outturn for this financial year, there have been £367,000 of savings. How has this been identified as this is more than the savings proposed for the 2024/25 budget.</p> <p>The Chief Officer (Education & Youth) advised that the total efficiencies identified did not equate to 7.5% of the overall budget for the Portfolio but explained that each Portfolio was asked to find up to 7.5% of efficiencies and that this was an aspiring target. Any further efficiencies above those identified would risk delivery of statutory services and risk the Council not being able to meet its statutory functions.</p> <p>In relation to the £367,000 identified in-year efficiencies, the Chief Officer advised that this had come from a moratorium on the reduction or stopping of spend in each Portfolio. One of the reasons for this efficiency was around the provision of 3 year olds and early years education with pupil numbers not coming through as anticipated, which reflected the fall in birth rates in recent times. The Corporate Finance Manager added that the Council does look for recurring reductions in budget as a sustainable way of reducing budget requirements for next year. The moratorium and temporary underspend were not reoccurring in nature but have been put in place to assist with the in-year overspend.</p>
Cllr Gladys Healey	<p>Is there financial provision for any refugees that may settle within the County?</p> <p>The Chief Officer said yes to the best of her knowledge. There had been a number of families who had settled in Flintshire and education provision had been made for them. This was a challenge for all Local Authorities as it would not be made aware significantly in advance when</p>

	<p>the Home Office would direct them to receive families and children to be located in Flintshire. There was a structured process in place to manage this and the Council worked closely with schools which had been demonstrated in recent times.</p>
Cllr Jason Shallcross	<p>Could a further explanation be given on the budget reductions for Youth Services around the asset transfer of some buildings. Believe the Council would incur a yearly cost for renting back space to use within the buildings in future.</p> <p>The Chief Officer explained that the challenge for Youth Services is that it has, under its control, a number of buildings which were not solely used for youth clubs, but by other organisations who pay rent under the Fees and Charges Policy. This was an expensive model. We are looking at appropriate community groups/parents to take over the buildings as an asset transfer and if an affective partnership is developed, the Youth Service can rent back what it needs to create the opportunity for efficiencies which would allow for additional funding of more youth workers out in the communities working with schools and young people to support them.</p> <p>The Chief Executive advised that of the 2 current asset transfers, the one at Penyffordd was quite advanced, so should happen sooner and reduce the risk to the Council in meeting the budget reduction, as shown in the report.</p>
Delegated School Budgets	
Cllr Gladys Healey	<p>A consequence of cutting schools budgets by 3% may result in redundancies. Would the Council be assisting financially with the cost of redundancies.</p> <p>The Leader of the Council advised that the cost of redundancies did not sit with the Council. The Council were there to advise and support schools who maybe in that difficult situation.</p>
Cllr Dave Mackie	<p>Cannot support a 3% reduction in school budgets and would suggest that a 3% reduction in the delivery of education to pupils would take the Council below an acceptable minimal level. Last year the school budgets were reduced by 3% and if the Council thought it acceptable to cut another 3% why not increase this figure last year.</p> <p>There was a lot of evidence that schools need to perform better, and they need improved budgets. If you look at the PETA results this was concerning as Wales were at the bottom across the UK and also information from WG showed that, in relation, to Mathematics, Reading and Science performance levels were below that of 2021.</p> <p>In relation to School Balances, reserves had reduced by £5m meaning that schools has spent their budget allocation and an additional £5m,</p>

	<p>this is not all schools but it shows that schools were already operating at an unacceptable lowest level.</p> <p>The Leader of the Council said that grouping all schools the same was disingenuous and unfair on headteachers, teachers and young people who were working hard to maintain education provision for young people to have the best possible standard of education. Members were aware of the problems this year with the budget, and he was currently working on a response with the Chief Executive and other finance officers to WG which would be robust and strong. Schools needed more budget; the Council needed more budget and WG needed more budget.</p> <p>Where did Cllr Mackie propose that the funding came from? Would he recommend an additional 3% to be added to Council Tax and ringfenced for schools. Nobody wants to be in this position, but schools had the option to apply for a licenced deficit which the Council did not. The Council had to set a balanced budget.</p>
Cllr Andrew Parkhurst	<p>Could you explain what the funding of £1.124m entitled 'Unallocated Schools Budget' related to.</p> <p>The following response was provided to the Committee following the meeting:-</p> <p>£0.983m – employee costs – this relates to historical Added Years pension contributions for schools based staff £0.141m - supplies and services costs which relate to all schools, for example the e-teach contract and copyright licences</p> <p>These budgets are fully committed.</p>

Community & Housing OSC – 7th February, 2024

RECOMMENDATION

That the Housing and Communities portfolio's options to reduce budgets be noted.

Cllr Geoff Collett	<p>Is it sensible to take money from reserves this year when Officers and Members know that next year's budget would be substantially worse. Are we not making things worse for the future.</p> <p>The Strategic Finance Manager said that options to address the issue of homelessness had been approved and it was being suggested that an amount of reserves be ringfenced to give time for some of those options to come to fruition and address the issue. This would be more of a concern if no solutions were in place.</p>
Cllr Helen Brown (Chair)	<p>How confident were you that the solutions identified to address homelessness would work.</p>

	<p>The Chief Officer (Housing and Communities) said that some of the options previously considered by the Committee could be costed, for example, the refurbishment of properties for house share. Confident that options will have an impact but have to consider the increasing demand that continues.</p> <p>The Housing & Prevention Service Manager advised that projections had been developed but that a lot of homeless presentations were people who were homeless on the day. All that could be done as a crisis management service was to respond to what happens day to day.</p>
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<p>Social & Health Care OSC – 9th February, 2024</p> <p><u>RECOMMENDATION</u></p> <p>That the Social Services portfolio's options to reduce budgets be noted.</p>	
<p>Cllr Dave Mackie</p>	<p>Thank you for all the work carried out and extra work done to address budget reductions.</p> <p>As stated in the report, around all Portfolios being asked to revisit their cost base to re look at potential ways of reducing budgets or removing cost pressures to contribute more to meeting the remaining gap, was the Social Services Portfolio set a target for further reducing budget?</p> <p>In relation to the proposed charge for appointee services, how much would be cost be per individual?</p> <p>Also, in relation to the proposed Disability services charging for college placements, what would be charges be?</p> <p>The Senior Manager Safeguarding and Commissioning explained that in relation to the proposed charge for appointee services, the Council had been looking at what other Local Authorities were doing across England and Wales and the proposal would be around £10/£20 per week. This was being investigated at the moment, and officers appreciated it was a sensitive topic so would require consultation with those affected and their families to make sure the charge was fair and equitable.</p> <p>In relation to charging for college placements, the Senior Manager Safeguarding and Commissioning advised that, from initial early work carried out, it was anticipated that this would potentially affect less than 5 people per year and would be for those new to the process and not those with existing college placements. Any proposed charges would be shared with families as part of the decision making process.</p>
<p>Cllr Carol Ellis</p>	<p>What would be affect be of the proposed reduction in Commissioning Care Fees?</p>

	<p>Concerned that the proposed Deferral of Children’s residential budget pressures could impact the Out of County Placements budget which currently did not meet demand.</p> <p>In relation to Domiciliary care, what affect would you anticipate the reduction in budget having on hospital discharges?</p> <p>When would you expect BCUHB to confirm an increased contribution to Marleyfield Older People’s Residential Care Home.</p> <p>The Chief Officer (Social Services) said that, in relation to the Care Commissioning budget, the Council had a proud record in supporting its care sector partners, with the Council last year providing the highest increase of care rates across North Wales. There would be an increase, but it would not be in the order it was last year. Negotiations were sensitive and on-going.</p> <p>The Senior Manager: Children understood the concern around Out of County Placements but advised that the budget proposal did not mean that the Council was stopping its expansion of children’s in-house residential provision. Due to challenges around recruitment, the home planned for 2024/25 would not be operational at the start of the year and therefore there would be a budget reduction for 2024/25 but this would be required as part of the 2025/26 budget. The Council continued to invest in services which would enable children to not need out of county provision in the first place, including working on a significant grant application to expand services to ensure children were safely supported without the need for out of county placements.</p> <p>The Senior Manager - Integrated Services and Lead Adults said that the Council had an excellent reputation in relation to the hospital discharge service, but demand continued to increase. It was explained that by changing ways of working, speaking to patients earlier and working differently it was possible to maintain standards and reduce the budget. Having earlier referrals enabled a thorough discharge plan to be put in place with the Reablement teams involved.</p> <p>In relation to BCUHB’s increased contribution to Marleyfield Older People’s Residential Care Home, the Senior Manager - Integrated Services and Lead Adults confirmed that this was their suggestion and therefore she was confident that this funding would be provided.</p>
<p>Cllr Hilary McGuill</p>	<p>Thank officers for working on putting together budget reductions which I hope do not affect frontline services.</p> <p>In relation to proposed efficiencies to planned contracts with the third sector, when would these be carried out and which third sector organisation would be affected?</p>

	<p>Feel more assured around the proposed reduction in Commissioning Care Fees, having listened to the response from the Chief Officer that the Council would remain on par with neighbouring Local Authorities.</p> <p>In relation to the Disability Services charging for college placements, the charge would be on par with what other parents contributed when their children go away to college, but the introduction of this charge needed to be handled sensitively.</p> <p>Whilst the increased contribution from BCUHB was welcomed, this was a significantly small amount in comparison to the money the Council was savings BCUHB on an annual basis.</p> <p>MST and Mockingbird have saved the Council thousands and pleased to see that this was now beginning to have a knock on effect financially for the Council. Like reassurance on whether the Council would be able to reap back financial contributions next year?</p> <p>If the reduced budget proposals were supported, how quickly could these decisions be reversed if they had a negative effect on front line services.</p> <p>The Senior Manager Safeguarding and Commissioning advised that as part of commissioning, the Council undertook a review of efficiencies of contracts and how well they were utilised. The efficiencies identified were small but by reengineering the way services were commissioned it enabled the ones with great value to those that access them to continue.</p> <p>In relation to the proposal to charge for college placements, the Senior Manager Safeguarding and Commissioning that all placements would be financially assessed to ensure that the costs families faced were evenly distributed and that the costs were not detrimental to those most in need.</p> <p>The Senior Manager: Children referred to the continued impact of MST and Mockingbird and explained how the benefits were being seen in Education and Schools with an increase in children and young people presenting with complex and challenging behaviour and needs. The success of the MST service had seen 91% of children continue to remain at home. The service was seen as cost avoidance rather than a saving but was really important.</p> <p>Information was provided on the 3 Mockingbird hubs which had been inspected by CRW fostering services which had identified the positive impact that this had on children in fostering care.</p>
<p>Cllr Gladys Healey</p>	<p>Thank you to all officers for the report.</p> <p>Mental health in children is increasing, would not like to see cuts to funding for mental health services for children.</p>

	<p>Agree with increasing in-house support to children who need out of county placement. Would not like to see further budget reductions in out of county placements.</p> <p>In relation to Domiciliary Care, have you looked at pay in Wrexham which is higher than in Flintshire.</p> <p>Agree with previous comments that the Council save BCUHB a great deal of money and the Council should be looking at how much they are saving them.</p> <p>The Senior Manager: Children explained how the early intensive timely support for children and parents/families with mental health problems was very important. He spoke about the Council's continued investment in its own services in relation to reducing the budget pressure around out of county placements.</p>
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Corporate Resources OSC – 8th February, 2024

Continued discussion from previous agenda item *Revenue Budget Monitoring 2023/24 (Month 9) and Capital Programme Monitoring 2023/24 (Month 9) relating to Section 1.10 of the report – Carry Forward Requests – Governance £0.210m.*

Cllr. Richard Jones	<p>Sought clarification on values £156K and £60K.</p> <p>The Chief Officer (Governance) advised that it was to extend the posts for 2 years. Attempting to give individuals a degree of uncertainty to prevent them looking elsewhere as on temporary contracts.</p>
Cllr. Alasdair Ibbotson	<p>Whilst agreeing with comments, these are difficult financial times – every penny needed for critical services.</p> <p>The website does need improvement – but to what extent does investing this money in the website lead to increase in income? Not apparent that this would enhance income – therefore only providing a limited return.</p> <p>To what extent is this a critical service? Has to weigh up whether this is more or less important than his own priority of bus service subsidies? Believes this is not as important – Move to recommend that C/f request is rejected.</p> <p>However, did suggest that there may be a way to avoid and redundancies as a result. Reserve of '<i>Investment in Organisational Change</i>' balance at end of year is forecast to be £930,138. Unlikely that reserves not related to Digital Strategy will be spent so could some of this be moved to maintain the Digital Strategy Reserve for 1 year.</p>
Cllr. Linda Thew	<p>Agree that money needs to be spent on website. Does not agree with streamlining processes to be dealt with at Connects. They cannot cope with the current processes so to add more does not seem right.</p>

Cllr. Bill Crease	If not for financial situation, then would support investing in improvements. However, on the one hand we are proposing investing in enhancements yet at the same time proposing to cut / close Connects centres in Connah's Quay and Holywell. Seems counterproductive.
Chief Officer (Governance) in response to the above:	<p>Difficult to argue that the posts help raise income. However, there are a number of things that are dependent on them: 1 - £25K saving suggestion to use Facebook and lose GovDelivery software. This is reliant on the 2 Digital Officer posts. Without them, this would not be achievable.</p> <p>Transformation programme is intended to generate savings. Having capacity to digitalise services is essential for its success.</p> <p>These are temporary posts. Reserve money is not base-budget so it is only a one off amount that could be used as a temporary reprieve for other things over 12 months or until monies had been spent.</p> <p>The breakdown of costs per post could be provided to Cabinet for them to determine which, if any, they want to agree to keep.</p>
Cllr. Richard Jones	<p>Sought to clarify whether it was the whole amount of Carry Forward or just for Governance.</p> <p>Cllr. Ibbotson advised that he was only referring to the amount for Governance not Planning, Environment & Economy.</p> <p><i>The Committee recommends to Cabinet that the carry-forward figure for Governance is rejected and requests that Cabinet commissions a risk assessment of rejecting the Planning, Environment & Economy carry forward.</i></p>
<u>Council Fund Budget 2024/25</u>	
<u>Report RECOMMENDATIONS</u>	
<p>1 Review and comment on the Corporate Services options to reduce budgets. 2 Review and comment on the Assets Service options to reduce budgets. 3 Review and comment on the Governance Portfolio's options to reduce budgets.</p>	
Corporate Services – Budget Reductions	
Cllr. Richard Jones	<p>How many trainees does the figure relate to?</p> <p>Only 3 or 4 – not a large amount.</p>
Cllr. Andrew Parkhurst	Trade union support budget – how much is the budget and what are the statutory requirements for it.

	Budget total is £130K. Will need to check whether it is a statutory requirement. However, it does help to have positive working relationships with TU's, particularly around organisational change.
Cllr. Richard Jones	Is the £50K Fees and Charges Review amount in addition to the £310K that have already been included? The £310K is the full year figure from October 2023. The £50k relates to the review for 2024 and is an estimate of the part year figure from October 2024.
Assets Services – Budget Reductions	
Cllr. Richard Jones	If reductions are made for 3 rd sector funding, it could potentially put pressure back onto our own services.
Governance Portfolio – Budget Reductions	
Cllr. Alasdair Ibbotson	If c/f request removed and therefore we couldn't operate the Facebook page, and the full amount of the efficiency for GovDelivery was also accepted – what would be the service impact? Comms would be via Twitter and website only. Significant plank of comms would be lost.

In considering the recommendations, the following were agreed:

Recommendation 2 – Cllr. Richard Jones moved. Cllr. Bill Crease seconded. Voted unanimously to accept.

Recommendation 1 & 3 – Taken together with the following agreed wording which was moved by Cllr. Alasdair Ibbotson and seconded by Cllr. Richard Jones. At the vote it was accepted unanimously.

The Committee expresses provisional reservations and reluctance in accepting the proposed reduction of £138K in the Flintshire Trainee and additional £40K Connects – reduction in budget, but expresses a provisional willingness to accept the removal of Granicus GovDelivery Software even if the carry forward figure of £210K for 'Digital Strategy Reserve' from the previous item is not approved, pending the consideration of the effects and risks for each.

FEEDBACK FROM ENVIRONMENT & ECONOMY

OVERVIEW & SCRUTINY COMMITTEE BUDGET MEETING 6 February 2024

(Part 2 item)

Questions & Comments	Responses
Planning, Environment & Economy – Budget reductions	
Cllr Richard Lloyd asked regarding the current level of fees for planning applications.	The Chief Officer advised that the fees are currently applied on a sliding scale based on the size and type of the application.

Questions & Comments	Responses
<p>Cllr Mike Peers referred to the report presented to the Committee in October and suggested that another column should be put in future reports showing the October and February figures with a running total.</p> <p>Cllr Mike Peers asked if any vacancies had been removed within the portfolio.</p>	<p>The Finance Manager welcomed this positive suggestion.</p> <p>The Chief Officer referred to the additional capacity report that went to Cabinet in Sept 21 and agreed to circulate the link. (Completed 7/2/24).</p>
<p>Cllr Alan Marshall asked if there was potential for officers to suggest a positive outcome during a planning advice request so that fees could be collected.</p>	<p>The Chief Officer gave an assurance that officers approached pre-planning applications in a professional way and that this would not happen.</p>
<p>Cllr Alan Marshall noted that if planning applications are not approved within 6 months the fees are refunded to the applicants. He asked if there were enough staff to process applications.</p>	<p>The Chief Officer advised that he was confident there are enough staff within the team to ensure this would not happen and that extensions of time to determine applications would be agreed with the applicants whenever possible.</p>
Streetscene & Transportation – Proposals for budget reductions	
<p>Cllr Chris Dolphin expressed concern at the proposal to close all remaining public conveniences. He referred to Mold Market; the stall holders and visitors and asked where they would be accommodated. He also referred to Holywell market and the vision to increase footfall. In relation to Talacre he felt it was vital that public conveniences were provided in the summer holidays at the very least due to the influx of visitors to this premier tourist destination in Flintshire.</p>	<p>The Highway Network Manager referred to the problems with vandalism and repair costs and advised there was no statutory duty to provide public conveniences. He added that Community Asset Transfers have been offered to the communities affected.</p>
<p>Cllr Mike Peers referred to the cost pressure in the October report of 2.79 million. He referred to car parking charges, bus subsidy and the Flexi bus which appeared to be parked up in Buckley at times. He asked if the bus subsidy supported any main bus routes in Flintshire. He acknowledged vandalism of public toilets was also a problem for Town Councils citing Buckley as an example.</p>	<p>The Regulatory Services Manager advised that a review of footfall at car parks was currently underway. The aim was to keep charges in line with inflation as far as possible. The Transport Manager agreed to look at the data for the Buckley Flexi Bus. He added that potentially Arriva Wales Services would be impacted by the withdrawal of bus subsidies.</p>

Questions & Comments	Responses
<p>Cllr Dan Rose asked if Community Asset Transfer for public toilets would continue to be an option once facilities had been closed. He added it would have been useful to see the list of subsidised routes prior to the meeting.</p> <p>Regarding the flexi bus would welcome seeing the flexi bus data. He asked if flexi buses could be used on more rural routes.</p> <p>He asked how many car parks would be affected by the proposals and if there were any opportunities to benefit from paid adverts on the parking app.</p>	<p>The Highways Manager confirmed that CAT's would continue to be an option.</p> <p>The Transport Manager confirmed the data would be shared and that in principle flexi bus services could be used more on rural routes.</p> <p>The Regulatory Services Manager said that as many as 30 car parks could be affected. She would look into the possibility of paid adverts on the parking app.</p>
<p>Cllr Allan Marshall asked for clarification regarding Eligible and Non-Eligible pupils in relation to free school transport. He also referred to the impact on pupils going to schools that were not their nearest one. The potential effect on school transport budget was also an area of concern.</p>	<p>The Transport Manager provided a brief overview of eligible and non-eligible pupils in relation to the school transport policy, however, he agreed to speak to Cllr Marshall outside the meeting if further clarification was required.</p> <p>The Transport Manager explained that any eligible pupils affected by the reduction in local bus services would still need to be transported by the Council which would have an impact on the school transport budget, however, the extent of which would only be known once the procurement exercise and identification of services that are to remain has been concluded. He went on to explain that any non-eligible pupils that were affected by the changes would also require transport for a period of 12 months as required by the school transport policy.</p> <p>Figures in relation to current eligible and non-eligible school pupils could be provided, however, as explained, it would be impossible to determine how many pupils (either eligible or non-eligible) would be impacted, until such time as both the procurement exercise and determination of services going forward is concluded.</p>

Questions & Comments	Responses
<p>Cllr David Coggins-Cogan asked what did the 20p increase achieve. He also felt that more promotion should be given to increase the uptake of parking permits. He added that all car parks should be chargeable.</p> <p>The Chair agreed that all car parks should be treated equally.</p>	<p>The Regulatory Manager agreed to provide the breakdown following the meeting. She referred to a review of the permit scheme and agreed that further promotion of the permit scheme was required.</p>
<p>Cllr Coggins-Cogan felt there should be no cuts to bus subsidies as this could have devastating effects on communities. He added that public transport provided vital social network opportunities for residents and prevents isolation.</p> <p>He added that closing toilets was a public health and human dignity issue for many people suffering from health conditions.</p> <p>Cllr Coggins-Cogan felt that the Council needed to be honest with Flintshire residents with regard to the cuts.</p>	<p>The Transport Manager acknowledged Cllr Coggins-Cogans' concerns and understood the importance of local services to the residents of Flintshire.</p> <p>The Highways Manager referred to the outcome of the consultation of the outcome of the adoption of the Local Toilet Strategy which would be considered at the March meeting.</p>
<p>Cllr Dave Healey referred to the Ring & Ride scheme and was concerned that this could be in jeopardy. He added that it is a valued service that enables people to attend medical appointments.</p> <p>He added that whilst none of the cuts were palatable, the Council have got to take action in order to set a balanced budget. The alternative would be that Commissioners would come in to run the Council in the event of not being able to balance the budget.</p>	<p>The Transport Manager confirmed that the Ring & Ride service falls within the local bus budget and therefore, should the budget be reduced, then this would have a detrimental affect on the ability to run all services funded via this budget. The Transport Manager reiterated the requirement to prioritise services in accordance with available budget once known, for which the requirement for medical appointments would be given due consideration.</p>
<p>Cllr Ian Hodge asked if consideration had been given to geographical location in additional to available data.</p> <p>He asked whether it was the intention to designate one HRC site for trade waste.</p>	<p>The Streetscene Service Manager advised that no decision had been made and this would be a date driven exercise to identify changes, with consideration given to geographical and impact on domestic waste and potentially infraction charges.</p>

Questions & Comments	Responses
<p>Cllr Dan Rose referred to providing services in-house rather than contracting them out and welcomed the proposal.</p>	<p>The Streetscene Service Manager advised that there is a small team in house and that some equipment has been provided as a result of a biodiversity grant from Welsh Government. The team were in a position to take on this area of work.</p>
<p>Cllr Chris Dolphin referred to the Greenfield HRC site which he considered to be one of the premier sites in Wales. He hoped it would stay open. He added that Okenholt would be a suitable site for trade waste or closure, as he felt it was in the wrong place.</p>	
<p>Cllr Vicky Perfect replied that the site at Oakenholt was well used and must not close.</p>	
<p>Cllr Mike Peers felt it was inappropriate for the Committee to be identifying any HRC's for closure. This would need to be discussed properly with the appropriate within a report. He suggested that perhaps Tuesday/ Weds and Thurs would be the best for consideration and that staffing levels should also be considered going forward to maximise efficiency.</p> <p>He agreed with reducing essential services on bank holidays but queried why pot hole work may be required.</p>	<p>The Streetscene Service Manager advised that pot holes are RAG rated and on occasions need to be dealt with on the day. He added that a review of the HRC strategy had resulted in changes to the rota of staff and a reduction in agency staff and overtime.</p>
<p>Cllr Hodge emphasised the need for HRC sites to be reviewed on both a geographical and data driven basis. He added that fly tipping could increase.</p>	
<p>Cllr Mike Peers asked regarding school crossing patrols and the safety implications of the proposed cuts.</p>	<p>The Transport Manager advised that the 15 historical School Crossing Patrol vacancies had been vacant for a significant period of time (averaging between 1 and 5 years). He added that work was ongoing with the delivery of a permanent crossing facility infrastructure</p>

Questions & Comments	Responses
<p>Cllr Richard Lloyd also questioned the safety and the need for permanent crossing infrastructure in some locations.</p> <p>Cllr Coggins Cogan asked regarding how long vacancies had remained unfilled in the 'remove officer vacancies category'. He felt this category should be a red RAG status rather than amber.</p>	<p>programme where required following the undertaking of an independent review.</p> <p>The Regulatory Services Manager advised that Streetscene had introduced a new role of Environmental Improvement Coordinator two years ago which focused on the prevention of environmental crime. She added that the purpose of this was to educate Flintshire communities on the correct way to dispose of their waste thus reducing environmental crimes and therefore the demand of the enforcement team. She referred to the enforcement officer posts and advised that there would undoubtedly be an impact on service delivery.</p> <p>The Transport Manager advised that recruitment was continuing for permanent replacements for both the positions of Integrated Transport Manager and Transport Strategy Manager vacancies.</p>
<p>Cllr Mike Peers referred the 20 mile/hour speed restrictions which must have helped and questioned the need for school crossing patrols.</p>	<p>The Transport Manager agreed that whilst the reduction of speed limits on restricted roads has reduced average speeds, recent surveys highlight that recorded speeds are still well in excess of the new 20mph speed limit and hence, there remained a high level of non-compliance. The transport Manager went on to explain that whilst speed data is indeed important, there are a number of other factors taken into consideration when deciding upon whether a crossing facility is warranted.</p>
<p>Cllr Ian Hodge referred to the Safe Access to Schools work that had been undertaken which should be taken into consideration.</p>	
<p>The Chair commented on the reviews being undertaken by neighbouring authorities regarding replacement of black bins. He asked</p>	

Questions & Comments	Responses
how many bins had been replaced over the last 12 months.	The Regulatory Manager advised that almost 2,000 black bins had been replaced over the last 12 months.
The Chair asked regarding data relating to bulky waste collections.	The Regulatory Manager agreed to provide the data required.
The Chair referred to Monthly bin collections and communal collection points, flats, terraced houses etc and the challenges of 4 weekly collections.	
<p>Cllr Lloyd agreed regarding communal collection points.</p> <p>He added that bins are sometimes damaged when going into the vehicle. He welcomed the trade waste suggestion, but wondered how trade waste and DIY waste could be differentiated.</p>	The Streetscene Service Manager suggested Trade Waste & DIY Waste may be at a specific site. This would free up space at other sites, and there would be no need to differentiate between trade & DIY waste.
Cllr Coggins-Cogan felt that modernisation of systems regarding bookings needed to be considered and referred to Conwy CC & Denbighshire CC who both operate booking systems. He asked regarding the cost of a black bin to the authority.	The Regulatory Manager advised that the cost of a black bin was £20.
<p>Cllr Peers referred to black bins being swallowed by the lorries and also how wear and tear was taken into account. Regarding small amounts of DIY he asked how the Council would quantify the charge.</p> <p>Cllr Peers emphasised the need for appropriate scrutiny to take place in relation to restriction of residual waste collections to monthly due to the significant impact on residents and the lack of consultation. He urged the Officers to bring back a report to a future scrutiny committee and proposed that Number 9 should be removed from the list of budget savings. He also suggested that a pilot should have been undertaken to see if it worked.</p>	Cllr Johnson referred to the 4 week bin collection proposal and the budget workshops, with no comments being made at the workshops in relation to the 4 weekly bin collection. He added that the shortfall of 274k would have to be found from somewhere.
Cllr Dan Rose asked regarding the warranty period on bins.	The Regulatory Manager agreed to provide the information.

Questions & Comments	Responses
<p>Cllr Chris Dolphin referred to kerb side collections that were introduced in 2003 and that introducing 180l bins rather than 220l was a big mistake. He added that decision making is about due process; the committee had started looking at budget proposals at the October meeting; it wasn't discussed during November, December or January and appeared on the agenda for the first time within the papers for the meeting. Cllr Dolphin felt the proposal needed to be properly scrutinised with facts, detail and figures as it was a big and emotive subject.</p>	
<p>Cllr Peers proposed that Efficiency Proposal No 9 (Restrict Waste Collections) be removed.</p> <p>Cllr Roy Wakelam seconded the proposal which, when put to the vote, was carried.</p>	

Eitem ar gyfer y Rhaglen 5



CABINET

Date of Meeting	Tuesday 20 th February 2024
Report Subject	Treasury Management Strategy 2024/25
Cabinet Member	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Report Author	Corporate Finance Manager
Type of Report	Strategic

EXECUTIVE SUMMARY

The report presents the draft Treasury Management Strategy 2024/25 for recommendation to Council. The report was considered in detail by Governance and Audit Committee on 24th January 2024 and there are no specific matters to bring to the attention of Cabinet.

The Treasury Management Strategy for 2024/25 is attached as Appendix 1 for review and a summary of the key points are included in the report.

This report is supplemented by treasury management training that was provided for Members of the Council on 8th December 2023.

RECOMMENDATIONS

1	That Cabinet recommends the Treasury Management Strategy 2024/25 to County Council for approval.
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REPORT DETAILS

1.00	EXPLAINING THE STRATEGY
	<u>BACKGROUND</u>
1.01	<p>The Local Government Act 2003 requires all local authorities to have due regard to both the Chartered Institute of Public Finance and Accountancy's Treasury Management in Public Services: Code of Practice (The CIPFA Code of Practice) and Welsh Government guidance on Local Authority Investments.</p>
1.02	<p>In April 2023 the Council adopted the Chartered Institute of Public Finance and Accountancy's <i>Treasury Management in the Public Services: Code of Practice, 2021 Edition</i> (the CIPFA Code) which requires the Council to approve a Treasury Management Strategy before the start of each financial year.</p> <p>The CIPFA Code of Practice (2021 edition) requires: -</p> <ul style="list-style-type: none">• The Council to create and maintain a Treasury Management Policy Statement which states the Council's policies, objectives and approach to risk management of its treasury management activities.• The Council to create and maintain suitable Treasury Management Practices (TMPs) and accompanying schedules, stating how those policies and objectives will be achieved and prescribing how those activities will be managed and controlled.• The Council to create and maintain suitable investment management practices (IMPs) for investments that are not for treasury management purposes, within the TMP's.• The Council to receive reports on its treasury and investment management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.• Responsibility for treasury management to be clearly defined. The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Cabinet, and for the execution and administration of treasury management decisions to the Corporate Finance Manager, who will act in accordance with the organisation's policy statement and TMPs and, CIPFA's <i>Standard of Professional Practice on Treasury Management</i>.• A body to be responsible for the scrutiny of Treasury Management Policy, Strategy and Practices. The Council has nominated the Governance and Audit Committee to be responsible for ensuring effective scrutiny of the treasury management function. The Governance and Audit Committee has previously agreed to include treasury management as a standing item on each quarterly agenda to receive an update.

1.03	The Welsh Government issues guidance on local authority investments that requires the Council to prepare an investment strategy before the start of each financial year. The guidance was updated in November 2019 and came into force from 1 st April 2020.
1.04	In preparation for approving the 2024/25 Treasury Management Strategy, training for all Members was held on 8 th December 2023. The workshop, presented by Arlingclose, the Council's treasury management advisors, covered: 1) the regulatory framework and the role of the elected Member in scrutinising the treasury management function; 2) an overview of the Council's treasury position and future; 3) a section on capital expenditure and financing, borrowing and debt restructuring; 4) a section on risk management and economic outlook, and 5) investment management.
	<u>CONSIDERATIONS</u>
	2024/25 Treasury Management Policy Statement, Strategy and Practices
1.05	The Treasury Management Policy Statement was approved by Council in February 2023 and covers the 3-year period from 2023/24 to 2025/26. This document defines the Council's Treasury Management activities, sets out the Council's criteria to measure the effectiveness of Treasury Management activities and includes the Council's high-level policies for borrowing and investments. Once approved, it was agreed that the document only be reported to Members during its lifetime in the event of any significant changes. There is no change to this document.
1.06	<p>Similarly, the Treasury Management Practices (TMPs) and accompanying schedules to cover the 3-year period from 2023/24 to 2025/26 were approved by Council in February 2023 and it was agreed that these operational documents will only be reported to Members during their lifetime in the event of any significant changes.</p> <p>The TMPs and schedules state how treasury management policies and objectives will be achieved and give specific details of the systems and routines employed and the records to be maintained, including:</p> <ul style="list-style-type: none"> • TMP 1 Treasury risk management • TMP 2 Performance measurement • TMP 3 Decision-making and analysis • TMP 4 Approved instruments, methods and techniques • TMP 5 Organisation, clarity and segregation of responsibilities, and dealing arrangements • TMP 6 Reporting requirements and management information arrangements • TMP 7 Budgeting, accounting and audit arrangements • TMP 8 Cash and cash flow management • TMP 9 Money laundering • TMP 10 Staff training and qualifications • TMP 11 Use of external service providers • TMP 12 Corporate governance

	Treasury Management Strategy 2024/25
1.07	<p>The 2024/25 Treasury Management Strategy is attached at Appendix 1 for review and discussion. The Strategy is updated and reported annually to Members in accordance with the CIPFA Code of Practice and Welsh Government guidance.</p> <p>The Treasury Management Strategy details the approach the Council will take for investing and borrowing over the next year, including the budgetary implications of the planned investment and borrowing strategy, and a number of treasury management indicators that the CIPFA Code requires.</p>
1.08	<p>The main body of the 2024/25 Strategy has not changed significantly from that of the 2023/24 Strategy. Matters that merit the attention of Members are summarised below:</p> <ul style="list-style-type: none"> • Section 2 – Economic context, provided by Arlingclose, highlights the impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East. The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. In December 2023, members of the BoE’s Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. Arlingclose forecasts that Bank Rate has peaked at 5.25%. • Section 4 – Local context. This section summarises the Council’s anticipated treasury position in 2024/25. Activity in 2024/25 is expected to focus more on borrowing and less on investing as the Council’s requirement to borrow is forecast to grow due to a planned increase in capital expenditure. • Section 5 - Borrowing strategy. This section is largely a continuation of the 2023/24 strategy. The Council continues to forecast a significant long-term borrowing requirement. The required amounts need to be confirmed before a commitment to long term borrowing is made and the use of short-term borrowing will be used to assist during this period. • Section 6 – Treasury Investment Strategy. Again, this section is largely a continuation of the Council’s 2023/24 strategy, the aim being to invest its funds prudently and to have regard to the security and liquidity of its investments before seeking the highest rate of return or yield.
1.09	<p>The Governance and Audit Committee reviewed the draft Treasury Management Strategy at its meeting on 24th January 2024. Questions raised at the Committee were all answered to members satisfaction. There were no issues raised by the Committee for Cabinet.</p>

2.00	RESOURCE IMPLICATIONS
2.01	Financial implications are set out within this report and supporting appendices; there are no other resource implications directly as a result of this report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT														
3.01	Risk Management directly addressed within the report and appendices including identification of risks and measures to mitigate likelihood and impact of risks identified.														
3.02	Ways of Working (Sustainable Development) Principles Impact <table border="1" data-bbox="320 701 1386 1043"> <tr> <td>Long-term</td> <td>Positive. The Treasury Management Strategy considers the long-term impact of investing and borrowing decisions.</td> </tr> <tr> <td>Prevention</td> <td>No change</td> </tr> <tr> <td>Integration</td> <td>No change</td> </tr> <tr> <td>Collaboration</td> <td>No change</td> </tr> <tr> <td>Involvement</td> <td>No change</td> </tr> </table>	Long-term	Positive. The Treasury Management Strategy considers the long-term impact of investing and borrowing decisions.	Prevention	No change	Integration	No change	Collaboration	No change	Involvement	No change				
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Integration	No change														
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3.03	Well-being Goals Impact <table border="1" data-bbox="320 1193 1386 1462"> <tr> <td>Prosperous Wales</td> <td>No impact</td> </tr> <tr> <td>Resilient Wales</td> <td>No impact</td> </tr> <tr> <td>Healthier Wales</td> <td>No impact</td> </tr> <tr> <td>More equal Wales</td> <td>No impact</td> </tr> <tr> <td>Cohesive Wales</td> <td>No impact</td> </tr> <tr> <td>Vibrant Wales</td> <td>No impact</td> </tr> <tr> <td>Globally responsible Wales</td> <td>No impact</td> </tr> </table>	Prosperous Wales	No impact	Resilient Wales	No impact	Healthier Wales	No impact	More equal Wales	No impact	Cohesive Wales	No impact	Vibrant Wales	No impact	Globally responsible Wales	No impact
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4.00	CONSULTATIONS REQUIRED / CARRIED OUT
4.01	Arlingclose Ltd, being the Council's treasury management advisors.

5.00	APPENDICES
5.01	1. Draft Treasury Management Strategy 2024/25

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Contact Officer: Chris Taylor – Strategic Finance Manager Telephone: 01352 703309 E-mail: Christopher.taylor@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Authorised Limit: A statutory limit that sets the maximum level of external debt for the Council.</p> <p>Balances and Reserves: Accumulated sums that are held, either for specific future costs or commitments (known as earmarked) or generally held to meet unforeseen or emergency expenditure.</p> <p>Bank Rate: The official interest rate set by the Bank of England’s Monetary Policy Committee and what is generally termed at the “base rate”.</p> <p>Basis Point: A unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent). In most cases, it refers to changes in interest rates and bond yields. For example, if interest rates rise by 25 basis points, it means that rates have risen by 0.25% percentage points.</p> <p>Bond: A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The price of a bond may vary during its life.</p> <p>Capital Expenditure: Expenditure on the acquisition, creation or enhancement of capital assets.</p> <p>Capital Financing Requirement (CFR): The Council’s underlying need to borrow for capital purposes representing the cumulative capital expenditure of the local authority that has not been financed.</p> <p>Certificates of Deposits (CD’s): A savings certificate entitling the bearer to receive interest. A CD bears a maturity date, a specified fixed interest rate and can be issued in any denomination. CDs are generally issued by commercial banks. The term of a CD generally ranges from one month to five years.</p> <p>Consumer Price Index (CPI): The UK’s main measure of inflation (along with Retail Price Index or ‘RPI’) The Monetary Policy Committee of the Bank of England set the Bank Rate in order to try and keep CPI at or close to the target set by the Government. The calculation of CPI includes many items of normal household expenditure but excludes some items such as mortgage interest payments and Council Tax.</p> <p>Corporate Bonds: Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by</p>

governments in their own currencies and includes issues by companies, supranational organisations and government agencies.

Cost of Carry: The “cost of carry” is the difference between what is paid to borrow compared to the interest which could be earned. For example, if one takes out borrowing at 5% and invests the money at 1.5%, there is a cost of carry of 3.5%.

Counterparty List: List of approved financial institutions with which the Council can place investments.

Credit Rating: Formal opinion by a registered rating agency of a counterparty’s future ability to meet its financial liabilities; these are opinions only and not guarantees.

Debt Management Office (DMO): The DMO is an Executive Agency of His Majesty's Treasury and provides direct access for local authorities into a government deposit facility known as the Debt Management Account Deposit Facility (DMADF). All deposits are guaranteed by HM Government and therefore have the equivalent of a sovereign credit rating.

Federal Reserve: The US central bank, the equivalent of the Bank of England. (Often referred to as “the Fed”).

Financial Instruments: Financial instruments are tradable assets of any kind. They can be cash, evidence of an ownership interest in an entity, or a contractual right to receive or deliver cash or another financial instrument.

Gilts: Gilts are bonds issued by the UK Government. They take their name from ‘gilt-edged’. They are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.

IFRS: International Financial Reporting Standards.

LIBID: The London Interbank Bid Rate (LIBID) is the rate bid by banks on Eurocurrency deposits (i.e. the rate at which a bank is willing to borrow from other banks).

LIBOR: The London Interbank Offered Rate (LIBOR) is the rate of interest that banks charge to lend money to each other. The British Bankers' Association (BBA) work with a small group of large banks to set the LIBOR rate each day. The wholesale markets allow banks who need money to borrow from those with surplus amounts. The banks with surplus amounts of money are keen to lend so that they can generate interest which it would not otherwise receive.

LOBO: Stands for Lender Option Borrower Option. The underlying loan facility is typically very long-term - for example 40 to 60 years - and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at pre-determined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the ‘option’ to either accept the new imposed fixed rate or repay the loan facility.

Maturity: The date when an investment or borrowing is repaid.

Maturity Structure / Profile: A table or graph showing the amount (or percentage) of debt or investments maturing over a time period.

MiFID II (Markets in Financial Instruments Directive): EU legislation that regulates firms who provide services to clients linked to 'financial instruments'. As a result of MiFID II, from 3rd January 2018 local authorities will be treated as retail clients but can "opt up" to professional client status, providing that they meet certain qualitative and quantitative criteria.

Minimum Revenue Provision (MRP): An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets.

Monetary Policy Committee (MPC): A committee of the Bank of England, which meets to decide the Bank Rate. Its primary target is to keep CPI inflation within 1% of a central target of 2%. Its secondary target is to support the Government in maintaining high and stable levels of growth and employment.

Money Market Funds (MMF): Pooled funds which invest in a range of short term assets providing high credit quality and high liquidity.

Non Specified Investment: Investments which fall outside the WG Guidance for Specified investments (below).

Operational Boundary: This linked directly to the Council's estimates of the CFR and estimates of other day to day cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

Premiums and Discounts: In the context of local authority borrowing,
(a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and
(b) the discount is the gain arising when a loan is redeemed prior to its maturity date.

Prudential Code: Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.

Prudential Indicators: Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators.

Public Works Loans Board (PWLB): The PWLB is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the

National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Quantitative Easing (QE): QE is a form of monetary policy where a Central Bank creates new money electronically to buy financial assets, like government bonds. This cash injection lowers the cost of borrowing and boosts asset prices to support spending.

Retail Price Index (RPI): A monthly index demonstrating the movement in the cost of living as it tracks the prices of goods and services including mortgage interest and rent.

Revenue Expenditure: Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges.

Specified Investments: Term used in the Welsh Assembly Guidance for Local Authority Investments. Investments that offer high security and high liquidity, in sterling and for no more than one year. UK government, local authorities and bodies that have a high credit rating.

Supported Borrowing: Borrowing for which the costs are supported by the government or third party.

Supranational Bonds: Instruments issued by supranational organisations created by governments through international treaties (often called multilateral development banks). The bonds carry an AAA rating in their own right. Examples of supranational organisations are the European Investment Bank, the International Bank for Reconstruction and Development.

Temporary Borrowing: Borrowing to cover peaks and troughs of cash flow, not to fund capital spending.

Term Deposits: Deposits of cash with terms attached relating to maturity and rate of return (Interest).

Treasury Bills (T-Bills): Treasury Bills are short term Government debt instruments and, just like temporary loans used by local authorities, are a means to manage cash flow. They are issued by the Debt Management Office and are an eligible sovereign instrument, meaning that they have an AAA-rating.

Treasury Management Code: CIPFA's Code of Practice for Treasury Management in the Public Services, initially brought in 2003, subsequently updated in 2009 and 2011.

Treasury Management Practices (TMP): Treasury Management Practices set out the manner in which the Council will seek to achieve its policies and objectives and prescribe how it will manage and control these activities.

Unsupported Borrowing: Borrowing which is self-financed by the local authority. This is also sometimes referred to as Prudential Borrowing.

Yield: The measure of the return on an investment instrument.

Mae'r dudalen hon yn wag yn bwrpasol



DRAFT
FLINTSHIRE COUNTY COUNCIL

**TREASURY MANAGEMENT
STRATEGY**

2024/25

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Treasury Management Strategy Report 2024/25

The Council is recommended to:

- Approve the Treasury Management Strategy for 2024/25
- Approve the Treasury Management Indicators for 2024/25

1.0 Introduction

In April 2023 the Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice, 2021 Edition* (the CIPFA Code) which requires the Council to approve a Treasury Management Strategy before the start of each financial year.

In addition, the Welsh Government (WG) issues guidance on local authority investments that requires the Council to approve an investment strategy before the start of each financial year. WG updated this guidance in November 2019.

This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and WG Guidance.

The successful identification, monitoring and control of risk are central to the Council's Treasury Management Strategy as the Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks, including the loss of invested funds and the revenue impact of changing interest rates.

In accordance with WG Guidance, the Council will be asked to approve a revised Treasury Management Strategy should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large, unexpected change in interest rates, in the Council's capital programme or in the level of its investment balance.

2.0 Economic Context (including interest rate forecast) – as provided by Arlingclose Ltd, December 2023

Economic background: The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Council's treasury management strategy for 2024/25.

The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. In December 2023, members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. The three dissenters wanted to increase rates by another 0.25%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with upside risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.

Office for National Statistics (ONS) figures showed CPI inflation was 3.9% in November 2023, down from a 4.6% rate in the previous month and, in line with the recent trend, lower than expected. The core CPI inflation rate declined to 5.1% from the previous month's 5.7%, again lower than predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half 2025 and into 2026.

ONS figures showed the UK economy contracted by 0.1% between July and September 2023. The BoE forecasts GDP will likely stagnate through 2024. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.

The labour market appears to be loosening, but only very slowly. The unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, but the lack of consistency in the data between the two periods made comparisons difficult. Earnings growth has remained strong but has showed some signs of easing; regular pay (excluding bonuses) was up 7.3% over the period and total pay (including bonuses) up 7.2%. Adjusted for inflation, regular pay was 1.4% and total pay 1.3%. Looking forward, the MPR showed the unemployment rate is expected to be around 4.25% in the second half of calendar 2023, but then rising steadily over the forecast horizon to around 5% in late 2025/early 2026.

Having increased its key interest rate to a target range of 5.25-5.50% in August 2023, the US Federal Reserve appears now to have concluded the hiking cycle. It is likely this level represents the peak in US rates following a more dovish meeting outcome in December 2023. US GDP grew at an annualised rate of 4.9% between July and September 2023, ahead of expectations for a 4.3% expansion and the 2.1% reading for Q2. But the impact from higher rates has started to feed into economic activity and growth will weaken in 2024. Annual CPI inflation was 3.1% in November.

Eurozone inflation has declined steadily since the start of 2023, falling to an annual rate of 2.4% in November 2023. Economic growth has been weak and GDP contracted by 0.1% in the three months to September 2023. In line with other central banks, the European Central Bank has increased rates, taking its deposit facility, fixed rate tender, and marginal lending rates to 3.75%, 4.25% and 4.50% respectively.

Credit outlook: Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of

Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.

On an annual basis, CDS price volatility has so far been lower in 2023 compared to 2022, but this year has seen more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.

Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.

Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.

There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast (December 2023): Although UK inflation and wage growth remain elevated, the Council's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%. The Bank of England's Monetary Policy Committee will start reducing rates in 2024 to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.

Arlingclose expects long-term gilt yields to be broadly stable at current level (amid continued volatility), following the decline in yields towards the end of 2023, which reflects the expected lower medium-term path for Bank Rate. Yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

Table 1: Interest rate forecast

	Bank Rate	3-month Money Market Rate	5-year Gilt Yield	20-year Gilt Yield	50-year Gilt Yield
Q1 2024	5.25	5.40	3.75	4.20	3.80
Q2 2024	5.25	5.40	3.75	4.20	3.85
Q3 2024	5.25	5.30	3.75	4.20	3.90
Q4 2024	5.00	5.15	3.70	4.20	3.90
Q1 2025	4.75	4.80	3.60	4.20	3.90
Q2 2025	4.25	4.30	3.50	4.20	3.90
Q3 2025	4.00	4.10	3.50	4.20	3.90
Q4 2025	3.75	3.80	3.40	4.20	3.90
Q1 2026	3.50	3.50	3.30	4.20	3.90
Q2 2026	3.25	3.25	3.30	4.20	3.95
Q3 2026	3.00	3.05	3.30	4.20	3.95

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 4.8%, and that new long-term loans will be borrowed at an average rate of 4.7%.

3.0 Current Treasury Portfolio

The Council's treasury portfolio as at 31st December 2023 was as follows:

Table 2: Current Treasury Portfolio

	Principal £m	Interest rate %
Investments:		
Call accounts	3.0	5.14
Money market funds	12.0	5.30
Short-term deposits	5.0	5.21
Long-term deposits	0.0	n/a
Total Investments	20.0	
Borrowing:		
Short-term loans	13.0	5.44
Long-term PWLB loans (fixed)	279.8	4.45
Long-term market loans (LOBOs)	18.9	4.53
Other Government loans	4.2	0.00
Total Borrowing	315.9	
Net Borrowing	295.9	

4.0 Local Context

Forecast changes in the sums in section 3 are shown in the balance sheet analysis in the table below.

Table 3: Balance Sheet Summary and Forecast

	31.3.23 Actual £m	31.3.24 Estimate £m	31.3.25 Estimate £m	31.3.26 Estimate £m	31.3.27 Estimate £m
Council Fund Capital Financing Requirement (Borrowing only)	219	229	243	252	264
Housing Revenue Account Capital Financing Requirement (Borrowing only)	134	133	139	142	144
Capital Financing Requirement (Borrowing only)	353	362	382	394	408
Less: Current ST borrowing	(12)	(302)	(294)	(288)	(282)
Less: Current LT borrowing	(295)				
Funding Required	46	60	88	106	126
Less: Usable reserves	(107)	(72)	(65)	(59)	(57)
Adj: Working capital	27	10	10	10	10
Investments / (New borrowing)	34	2	(33)	(57)	(79)

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their under-lying levels, sometimes known as internal borrowing.

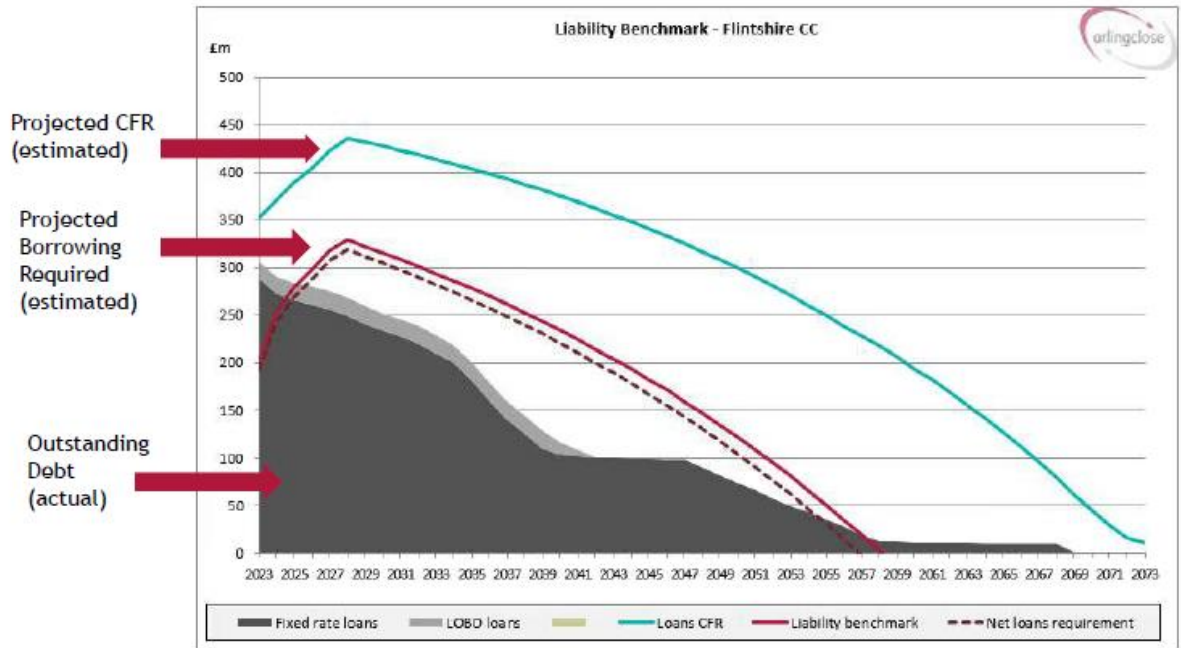
Table 3 shows the Council's CFR increases during 2024/25, this is linked with the capital programme (examples of schemes funded by borrowing include the Sustainable Communities for Learning schools programme, redevelopment of Croes Atti Residential Care Home and the HRA capital programme, which includes building new social housing). The level of reserves the Council has is expected to fall in 2023/24 as funding earmarked for specific purposes falls due for payment. The combination of the increase in capital expenditure and a reduction in reserves, results in a sustained requirement for new borrowing over the medium term.

Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 3 above, but that cash and investment balances are kept to a minimum level to maintain sufficient liquidity but minimise credit risk.

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future,

and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 4: Liability Benchmark - Flintshire County Council (December 2023)



The graph in Table 4 shows the Council’s anticipated liability benchmark over the next 50 years, being the net requirement for borrowing after considering resources available from reserves and working capital. The rise in the liability benchmark corresponds with the need to borrow to fund the increase in capital expenditure described above. The strategy in 2024/25, the same as in previous years, is to ensure that any new borrowing undertaken does not exceed the liability benchmark and cause the council to borrow more than it needs.

Budget implications

The budget for investment income in 2024/25 is £1.6m, based on an average investment portfolio of £33.6m at an average interest rate of 4.8%. The budget for interest on long-term loans in 2024/25 is £14.4m, based on long-term loans of £327m at an average interest rate of 4.51%. The budget for interest on short-term loans is £1.4m based on an average borrowing over recent years. Interest paid will be apportioned between the Council Fund and the HRA. If levels of investments, borrowing and interest rates differ from those forecast, performance against budget will be correspondingly different.

5.0 Borrowing Strategy

As at 31st December 2023, the Council held £302.9m of long-term loans, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in section 4 shows that the Council expects to need to undertake new borrowing during 2024/25.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which the funds are required. The flexibility to renegotiate loans, should the Council's long-term plans change, is a secondary objective.

The Council's capital expenditure plans will continue to be monitored throughout 2024/25 to inform and confirm the Council's long-term borrowing need (figures in section 4 are an estimate). This is to ensure that the Council does not commit to long-term borrowing too early and borrow unnecessarily which will be costly. The use of short-term borrowing will assist with such. This will be balanced against securing low long term interest rates currently being forecast.

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently at a 15-year high but are expected to fall in the coming years and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Council is able to reduce net borrowing costs (despite forgone investment income) and reduce overall treasury risk, credit risk as a result of bail-in legislation in particular. The benefit of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when the long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2024/25 with a view to keeping future interest costs low, even if this causes additional costs in the short-term.

The Council has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would

enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow for short periods of time to cover unexpected cash flow shortages.

Sources of borrowing

The approved sources of long-term and short-term borrowing will be:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Clwyd Pension Fund)
- insurance companies
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- UK Infrastructure Bank Ltd.

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback
- WG Mutual Investment Model
- similar asset based finance

Municipal Bonds Agency:

UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

LOBOs

The Council holds £18.95m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOs have options during 2024/25, and with interest rates having risen recently, there is now a

good chance that lenders will exercise their options. If they do, the Council will take the option to repay LOBO loans to reduce refinancing risk in later years.

Short-term and Variable Rate loans

As at 31st December 2023, the Council held £13m short term (temporary) loans.

Any short-term loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators in section 7. Financial derivatives may be used to manage this interest rate risk (see section below).

Debt Rescheduling

The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

Planned borrowing strategy for 2024/25

The Corporate Finance Manager will:

- Manage the Council's debt maturity profile, i.e., to leave no one future year with a high level of repayments that could cause problems in re-borrowing with the limits stated in this Strategy Statement. Appendix A analyses the debt portfolio of the Council as at 31st December 2023.
- Effect any borrowing that may be required in 2024/25 at the cheapest cost commensurate with future risk based on interest rate forecasts.
- Monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movements, within the limits stated in this Strategy.
- Continue to monitor options for debt-restructuring and debt re-payment.

The Corporate Finance Manager will monitor the interest rate market and adopt a pragmatic approach to any changing circumstances, reporting any decisions and actions taken under delegated powers to Cabinet via the Governance and Audit Committee.

6.0 Treasury Investment Strategy

The Council holds surplus funds, representing income received in advance of expenditure, plus balances and reserves held. In the past 12 months, the Council's treasury average investment balance was £43.9m with similar or slightly lower levels expected to be maintained in the forthcoming year.

Non-treasury investments, including loans to subsidiaries and purchases of investment property, are not normally considered to be treasury investments, and these are therefore covered separately in Appendix B.

Both the CIPFA Code and the WG Guidance require the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

Strategy

As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.

ESG policy:

Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Investment criteria and limits

The Council may invest its surplus funds with any of the counterparties in the following table, subject to the monetary and time limits shown.

Table 5: Treasury investment counterparties and limits

This table must be read in conjunction with the notes below.

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£4m	Unlimited
Secured investments *	25 years	£3m	Unlimited
Banks (unsecured) *	13 months	£3m	Unlimited
Building societies (unsecured) *	13 months	£3m	Unlimited
Registered providers (unsecured) *	5 years	£2m	Unlimited
Money market funds *	n/a	£4m	Unlimited
Strategic pooled funds	n/a	£1m	£5m
Real estate investment trusts	n/a	£1m	£1m
Other investments *	5 years	£2m	£10m

*** Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors, including external advice, will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £100k per counterparty as part of a diversified pool.

Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher

of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Welsh Government. As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real estate investment trusts (REITs): Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept as low as possible. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than

made insolvent, increasing the chance of the Council maintaining operational continuity.

Risk assessment and credit ratings

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document.

Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a rating is on review for possible downgrade (also known as "negative watch") so that it is likely to fall below the above criteria, then no further investments will be made in that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Reputational aspects: The Council is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

Other information on the security of investments

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of "high credit quality" are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office for example, or with other local

authorities. This will cause investment returns to fall but will protect the principal sum invested.

Specified investments

The WG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement unless the counterparty is a local authority,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of 'high credit quality'.

The Council defines 'high credit quality' organisations as those having a credit rating of A- or higher that are, domiciled in the UK, or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds 'high credit quality' is defined as those having a credit rating of A- or higher.

Non-Specified Investments

Any financial investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments in foreign currencies. Given the wide definition of a loan, this category only applies to units in pooled funds and shares in companies. Limits on non-specified investments are shown in the table below. The Council confirms that its current non-specified investments remain within these limits.

Table 6: Non-Specified Investment Limits

	Cash Limit
Total invested in pooled funds without credit rating	£5m
Shares in real estate investment trusts	£1m
Shares in local organisations	£1m
Total non-specified investments	£7m

Foreign countries

Investments in foreign countries will be limited to a maximum of £5 million per foreign country. Investments in countries whose lowest sovereign rating is not AAA will be limited to one year's duration. No country limit will apply to investments in the UK, irrespective of the sovereign credit rating.

Liquidity management

The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis, with receipts under-estimated and payments over-

estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

Business models

Under the new International Financial Reporting Standard (IFRS) 9, the accounting for certain investments depends on the Council's 'business model' for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

7.0 Treasury Management Prudential Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators. The Council is asked to approve the following indicators:

Interest rate exposures

This indicator is set to control the Council's exposure to interest rate risk. Estimates of the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	2024/25 £m	2025/26 £m	2026/27 £m
Estimate of one-year revenue impact of a 1% rise in interest rates	(0.274)	(0.236)	(0.217)
Estimate of one-year revenue impact of a 1% fall in interest rates	0.421	0.426	0.407

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Lower	Upper
Under 12 months	0%	20%
12 months and within 24 months	0%	20%
24 months and within five years	0%	30%
Five years and within 10 years	0%	50%
10 years and above	0%	100%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Long-term treasury management investments:

The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price risk indicator	2024/25	2025/26	2026/27
Limit on total principal invested beyond year end	£5m	£5m	£5m

Any long-term investments carried forward from previous years will be included in each year’s limit.

Borrowing limits

The Council is being asked to approve these Prudential Indicators as part of the Capital Strategy report. However, they are repeated here for completeness.

	2024/25	2025/26	2026/27
Operational boundary – borrowing	£410m	£425m	£443m
Operational boundary – other long-term liabilities	<u>£75m</u>	<u>£74m</u>	<u>£72m</u>
Operational boundary – TOTAL	£485m	£499m	£515m
Authorised limit – borrowing	£485m	£499m	£515m
Authorised limit – other long-term liabilities	<u>£35m</u>	<u>£35m</u>	<u>£35m</u>
Authorised limit – TOTAL	£520m	£534m	£550m

8.0 Other Matters

The CIPFA Code requires the Council to include the following in its treasury management strategy.

Financial derivatives:

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g., interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g., LOBO loans and callable deposits). The general power of competence in section 24 of the Local Government and Elections (Wales) Act 2021 removes much of the uncertainty over local authorities’ use of standalone financial derivatives (i.e., those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties,

will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Policy on Apportioning Interest to HRA

The Council has adopted a single pool of loans which funds the capital expenditure of both Council Fund and HRA activities. The interest payable and other costs/income arising from long term loans (e.g., premiums and discounts on early redemption) is apportioned between the revenue accounts using the average Capital Financing Requirement (which measures the underlying need to borrow to fund capital expenditure) during the year.

Given that the HRA has minimal level of reserves compared to the total level of reserves held by the Council, any interest received on investments will be credited to the Council Fund revenue account.

Markets in Financial Instruments Directive

The Council has opted up to professional client with its providers of financial services, including advisers, banks, and brokers, allowing it access to a range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Corporate Finance Manager believes this to be the most appropriate status.

Welsh Government Guidance

The WG Investment Guidance requires the Council to note the following matters each year as part of the investment strategy:

Treasury Management Advisers: The Council's treasury management adviser, Arlingclose continues to provide advice and information on the Council's investment and borrowing activities, although responsibility for final decision making remains with the Council and its officers. The services received include:

- advice and guidance on relevant policies, strategies and reports,
- advice on investment decisions,
- notification of credit ratings and changes,
- other information on credit quality,

- advice on debt management decisions,
- accounting advice,
- reports on treasury performance,
- forecasts of interest rates, and
- training courses.

The quality of this service is controlled by Financial Procedure Rules and Contract Procedure Rules.

Capacity and skills training

The needs of the Council's treasury management team for training in treasury management are assessed as part of the employee appraisal process, and additionally when the responsibilities of individual members of the treasury team change.

Employees regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant employees are also encouraged to study professional qualifications from CIPFA and other appropriate organisations.

Training for elected Members is provided by Arlingclose on an annual basis and by the treasury management team on an ongoing basis.

Training ensures that those elected members and statutory officers involved in the investments decision-making process have appropriate capacity, skills and information to enable them to: 1. take informed decisions as to whether to enter into a specific investment; 2. assess individual investments in the context of the strategic objectives and risk profile of the Council; and 3. understand how the quantum of these decisions have changed the overall risk exposure of the Council.

The Council ensures that those negotiating deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate.

Investment of Money Borrowed in Advance of Need

Welsh Government guidance states that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.

The Council will not borrow more than or in advance of their needs to profit from the investment but may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money for example in a climate of rising interest rates. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of £520 million. The maximum period between borrowing and expenditure is expected to be two years, although the Council is not required to link particular loans with particular items of expenditure.

Climate change

WG has set out its legal commitment to achieve net zero emissions by 2050 and work towards a net zero public sector in Wales by 2030. One of the Council's key priorities within the Council Plan is to become a net zero carbon Council by 2030. The Council has developed a Climate Change Strategy and action plan which sets the initial route map to support this wider decarbonisation actions across the County. The Council will continue to reviewing with Arlingclose what options are available for investments that support a low carbon economy.

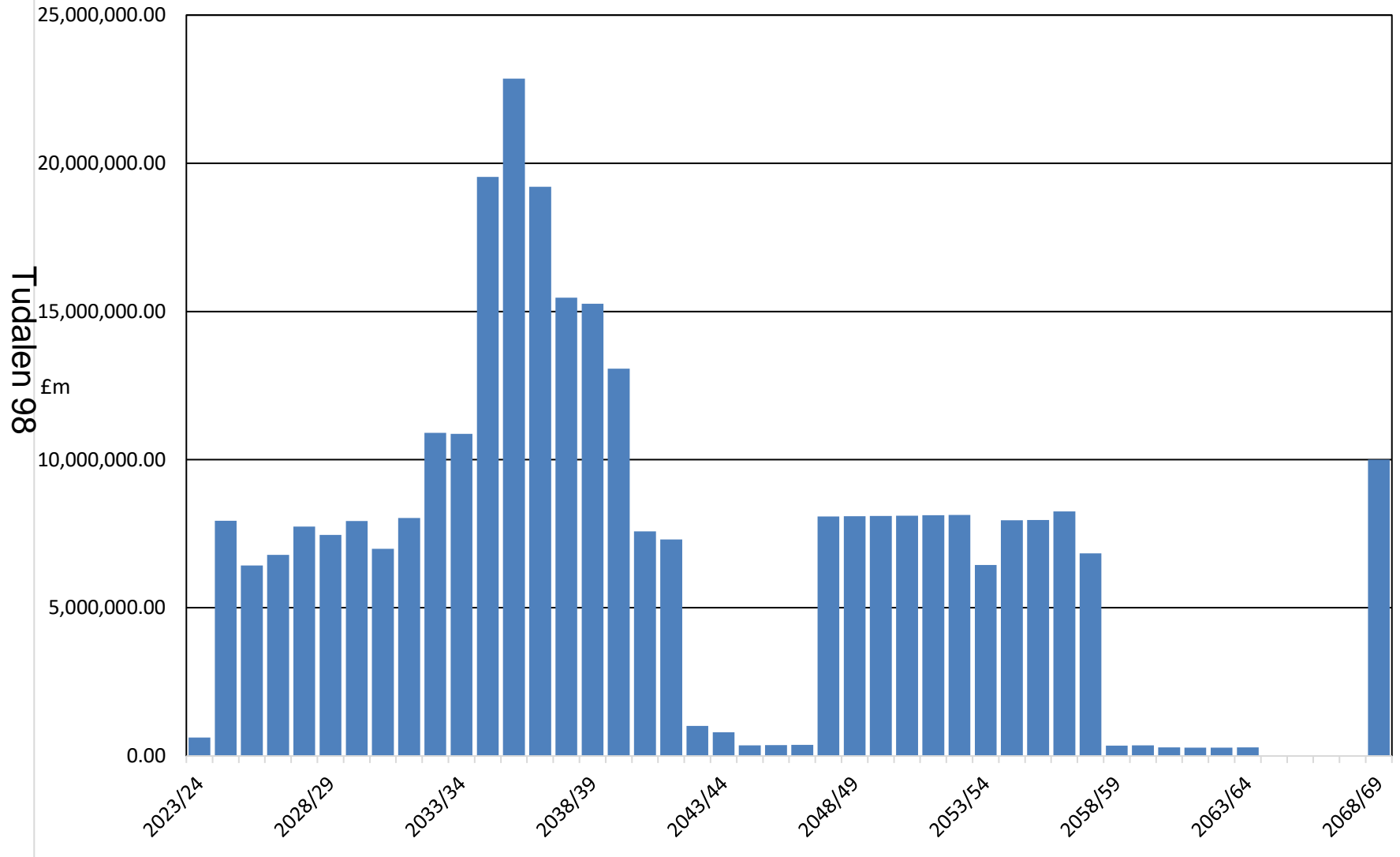
Other Options Considered

The WG Investment Guidance and the CIPFA Code of Practice do not prescribe any particular treasury management strategy for local authorities to adopt. The Corporate Finance Manager believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed in the following table.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter periods.	Interest income will be lower	Reduced risk of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer periods.	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs will be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs will be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs will be less certain

APPENDIX A – DEBT MATURITY PROFILE

Debt Maturity Profile - December 2023



APPENDIX B: Additional requirements of Welsh Government Investment Guidance – Non-Treasury Investments

The Welsh Government (WG) published revised Investment Guidance in November 2019 which places additional reporting requirements upon local authorities and covers investments that are not part of treasury management. In this appendix the Council sets out the information required to comply with the WG guidance for non-treasury investments.

The Council has given loans to wholly owned companies for service purposes and has historical non-financial investments in property defined as Investment Properties within the Council's Statement of Accounts. The Council considers both to be non-treasury investments.

Loans to Wholly Owned Subsidiaries

The WG guidance defines a loan as a written or oral agreement where the Council temporarily transfers cash to a third party, joint venture, subsidiary or associate who agrees a return according to the terms and conditions of receiving the loan, except where the third party is another local authority.

Contribution

The Council's investments in the form of loans to wholly owned companies contribute to its service delivery objectives and/or to promote wellbeing as follows:

The Council has embarked on an ambitious house building programme as part of its Strategic Housing and Regeneration Programme (SHARP). This plan aims to deliver 500 new homes will be built at a range of sites across the county, a mixture of new council houses and affordable homes, alongside commissioning a range of linked regeneration initiatives and community benefits.

Affordable homes are being developed through the Council's wholly owned subsidiary North East Wales Homes Limited (NEW Homes) in partnership with the Council. Affordable homes for rent are built or purchased by NEW Homes funded by loans from the Council. New affordable homes for rent have been built in Flint, Penyffordd (Holywell), Dobshell, Bryn-y-Baal, Northop and Saltney.

Controls and Limits

The Council considers that its financial exposure to loans to wholly owned companies is proportionate and has set the limits in table B1. The Council's loan book is currently within these self-assessed limits.

NEW Homes was established on 3rd April 2014 to own, lease and manage properties with the aim of increasing the quantity and quality of affordable housing across the county.

NEW Homes is a company limited by shares, wholly owned by the Council (1 at £1 par value), established under section 95 of the Local Government Act 2003. The

Council has a high level of control over NEW Homes as the single shareholder, approving:

- the issue of share capital
- the distribution of trading surplus
- the annual business plan
- any asset disposals
- any borrowing against assets
- appointment of directors to the board

Table B1: Loan limits

Borrower	Cash Limit
Wholly owned companies	£40m
Treasury management investments meeting the definition of a loan	Unlimited

The Council, as required, has considered allowing for an ‘expected credit loss’ model for loans and receivables as set out in IFRS 9: *Financial Instruments*, as adopted by proper practices, to measure the credit risk of its loan portfolio. When calculated, the expected credit loss was very small. Given the high level of control the Council has over NEW Homes and the security arrangements, the Council decided against setting up a provision for expected credit loss from the loans to NEW Homes.

Appropriate consideration is given to state aid rules and competition law. The Council sought specific legal and finance advice to ensure existing and future loans are compliant with State Aid regulations. The rates applied are below what NEW Homes would receive on the open market, and therefore are granted to NEW Homes under the Services of General Economic Interest Decision (a State Aid exemption). Arrangements are in place to monitor and ensure that the amount of aid granted through the loan does not exceed the net cost of providing the Service of General Economic Interest. A deed of entrustment is in place to clearly set out the requirements of both parties.

Liquidity

The Council has borrowed from the PWLB to on-lend at a small margin to NEW Homes on the same terms and conditions, therefore the impact on the Council’s Treasury Management activities is limited.

The length of the loans has been determined by assessing the cash flow of each housing development scheme to ensure over the long-term affordable rents are sufficient to repay borrowing, interest, management costs, cyclical maintenance costs and reasonable allowances for voids and bad debts. Most schemes require an annuity loan commitment of 45 years, the maximum the Council would commit to is 50 years.

Agreements are in place ensuring that the Council has security on all NEW Homes properties which includes properties built using the loan funding and also other properties that NEW Homes owns outright (acquired from developers as part of Section 106 Planning Act agreements to provide affordable housing). In the event of a default, the Council could either sell the properties to repay its borrowing or include them within the Housing Revenue Account and continue to rent at social housing rent levels.

Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. The Council accepts that the invested funds have been invested in NEW Homes for the length of the loans – approx. 45 years – and cannot readily be accessed for other purposes.

Yield (net profit)

The loans generate a small income for the Council as there is a margin of approx. 0.25% charged to NEW Homes on the Council’s borrowing rate from the PWLB. The income makes a very small contribution to achieving a balanced revenue budget.

Investment Properties

The Welsh Government guidance includes an investment category covering non-financial assets held primarily or partially to generate a profit, primarily investment property. Proper accounting practice defines an investment property as those that are held solely to earn rent and / or for capital appreciation.

The Council has a portfolio of investment properties, in the form of agricultural property and industrial units. Although these are classified as investment properties, they are legacy assets, and the council is managing down its agricultural portfolio and is reviewing its position in regard to industrial units.

Contribution

The Council’s investments, in the form of investment properties, contribute to its service delivery objectives and/or to promote wellbeing by providing a net financial surplus that is reinvested into local public services.

Security

The Welsh Government guidance requires that security is determined by comparing each asset’s purchase price to its fair value using the model in International Accounting Standard 40: *Investment Property*, as adapted by proper practices.

As the Council’s investment portfolio is of a historic nature, built up over many years, property purchase prices are not readily available to compare with current fair values. The table below shows the fair values of the current portfolio over the last 5 years demonstrating that the historic capital invested has remained stable over the past 5 years.

Table B2: Fair Value of Investment Properties

	31.3.2023 £m	31.3.2022 £m	31.3.2021 £m	31.3.2020 £m	31.3.2019 £m	31.3.2018 £m
Fair Value Inv. Properties	28.8	27.6	25.2	25.0	25.2	25.2

Liquidity

The Council's investment properties are historical investment decisions and therefore will have limited impact on the Council's liquidity. No recent investment has taken place in investment properties, and therefore there is no recent borrowing associated.

Yield (net profit)

The profit generated by investment activity makes a small contribution to achieving a balanced revenue budget. Table B3 below details the extent to which funding expenditure to meet the service delivery objectives and or promote wellbeing in the Council is dependent on achieving the expected yield over the life cycle of the Medium-Term Financial Plan.

Table B3: Proportionality of Investment Properties

	2022/23 Actual £m	2023/24 Budget £m	2024/25 Budget - Estimated £m
Net Revenue Budget	326.683	352.121	357.681
Net Investment income	1.67	1.65	1.65
Proportion	0.51%	0.47%	0.46%

Eitem ar gyfer y Rhaglen 6



CABINET

Date of Meeting	Tuesday 20 th February 2024
Report Subject	Minimum Revenue Provision – 2024/25 Policy
Cabinet Member	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Report Author	Corporate Finance Manager
Type of Report	Strategic

EXECUTIVE SUMMARY

Local authorities are required to set a Minimum Revenue Provision (MRP) policy each financial year.

Each year, local authorities are required to set aside some of their revenue resources as provision for the repayment of debt.

Regulations require an authority to make an amount of MRP which it considers to be 'prudent'. The Regulations themselves do not define 'prudent' provision. Welsh Government (WG) has provided guidance which makes recommendations to local authorities on the interpretation of the term and authorities are required to prepare an annual statement of their policy on making minimum provision.

The Council, as part of the budget strategy, conducted detailed reviews of its MRP policy in 2016/17 and 2017/18 and amended the policy as a result.

No changes are required to the Policy for 2024/25.

The Policy is presented to Members in conjunction with the 2024/25 budget setting report (separate item on the agenda).

RECOMMENDATIONS

1	<p>Members approve and recommend to County Council for Council Fund (CF) outstanding debt that:-</p> <ul style="list-style-type: none">• Option 3 (Asset Life Method) be used for the calculation of the MRP in financial year 2024/25 for the balance of outstanding capital expenditure funded from supported borrowing fixed as at 31st March 2017. The calculation will be the 'annuity' method over 49 years.• Option 3 (Asset Life Method) be used for the calculation of the MRP in 2024/25 for all capital expenditure funded from supported borrowing from 1st April 2016 onwards. The calculation will be the 'annuity' method over an appropriate number of years, dependent on the period of time that the capital expenditure is likely to generate benefits.• Option 3 (Asset Life Method) be used for the calculation of the MRP in 2024/25 for all capital expenditure funded from unsupported (prudential) borrowing or credit arrangements, including MIM. The calculation will be the 'annuity' method over an appropriate number of years, dependent on the period of time that the capital expenditure is likely to generate benefits.
2	<p>That Members approve and recommend to the County Council for Housing Revenue Account (HRA) outstanding debt:-</p> <ul style="list-style-type: none">• Option 3 (Asset Life Method) be used for the calculation of the HRA's MRP in 2024/25 for the balance of outstanding capital expenditure funded from debt fixed as at 31st March 2021. The calculation will be the 'annuity' method over 50 years.• Option 3 (Asset Life Method) be used for the calculation of the HRA's MRP in 2024/25 for all capital expenditure funded from debt from 1st April 2021 onwards. The calculation will be the 'annuity' method over an appropriate number of years, dependent on the period of time that the capital expenditure is likely to generate benefits.
3	<p>Members approve and recommend to County Council that MRP on loans from the Council to NEW Homes to build affordable homes through the Strategic Housing and Regeneration Programme (SHARP) (which qualify as capital expenditure in accounting terms) be as follows:-</p> <ul style="list-style-type: none">• No MRP is made during the construction period (of short duration) as the asset has not been brought into use and no benefit is being derived from its use.• Once the assets are brought into use, capital (loan) repayments will be made by NEW Homes. The Council's MRP will be equal to the repayments made by NEW Homes. The repayments made by NEW Homes will be classed, in accounting terms, as capital receipts, which can only be used to fund capital expenditure or repay debt. The capital repayment / capital receipt will be set aside to repay debt, and is the Council's MRP policy for repaying the loan.

REPORT DETAILS

1.00	EXPLAINING THE MINIMUM REVENUE PROVISION
	Background to Capital Expenditure and Financing
1.01	<p>Capital expenditure is defined as expenditure to acquire, enhance or prolong the useful life of non-current assets, those which have a useful life of more than one year e.g. buildings or infrastructure improvements.</p> <p>Capital expenditure is funded from a combination of capital receipts, revenue contributions, specific or general grants and debt in the form of borrowing or other long term financing arrangements such as leasing.</p> <p>Borrowing can be either:</p> <ul style="list-style-type: none"> • Supported borrowing - funding is provided by Welsh Government through the Revenue Support Grant to cover the revenue debt financing costs of interest and repayment costs; or • Unsupported borrowing (commonly referred to as prudential borrowing) – Councils have the freedom to determine the level of borrowing considered affordable in revenue debt financing costs with no support from Welsh Government.
1.02	<p>The annual charge to the revenue account for repaying debt is known as the Minimum Revenue Provision (MRP).</p> <p>Local authorities are required each year, under the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008, to set aside some of their revenue resources as provision for the repayment of debt.</p> <p>Regulation 22 of the 2008 Regulations requires an authority to make an amount of MRP each year which it considers to be 'prudent', though the Regulations themselves do not define 'prudent' provision.</p> <p>Regulation 21(B) of the 2008 Regulations requires local authorities to have regard to guidance issued by Government.</p>
1.03	<p>The Welsh Government has issued guidance for the setting of MRP policy. It states that the broad aim of prudent provision is to ensure that the debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.</p> <p>The WG guidance provides 4 options for making 'prudent provision' outlined below, but states that:</p> <p><i>'This does not rule out or otherwise preclude a local authority from using alternative approaches differing from those exemplified should it decide that it is more appropriate.'</i></p>
1.04	<p>In a letter to all local authorities the Auditor General for Wales concurred that it is for each authority to determine what a 'prudent' policy is.</p>

	Options for prudent provision within WG guidance
1.05	<p>Option 1 - Regulatory Method</p> <p>For capital expenditure funded from supported borrowing which is supported through funding in the Revenue Support Grant (RSG), authorities may continue to use the formula specified in the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (the regulations which preceded the 2008 Regulations).</p> <p>Under this method the outstanding capital expenditure (known as the Capital Financing Requirement CFR) funded from supported borrowing less Adjustment A is written down annually by 4% on a reducing balance basis. Adjustment A is a commutation adjustment, a fixed value determined by changes to statutory regulations referred to above (which all Welsh Council's will have).</p> <p>The method implies that borrowing will be repaid over a 25 year period (in that $100\% / 4\% = 25$), however as the calculation applies the 4% to the reducing balance it takes much more than 25 years to fully repay the borrowing.</p> <p>The method is commensurate with the methodology used in the Revenue Support Grant to allocate revenue funding from WG to finance debt, as it also uses the 4% reducing balance method on notional outstanding debt.</p>
1.06	<p>Option 2 - Capital Financing Requirement Method</p> <p>The same as Option 1 without adjusting for Adjustment A, which results in a higher charge.</p>
1.07	<p>Option 3 - Asset Life Method</p> <p>Provision is made over the estimated life of the asset for which debt is undertaken.</p> <p>This can be calculated using the 'straight line' method or the 'annuity' method. To illustrate the difference, as an example, an asset which is purchased at a cost of £4m which has an estimated useful life of 50 years:</p> <ul style="list-style-type: none"> • Straight line method - equal annual MRP charge $\text{£}4\text{m} / 50 \text{ years} = \text{£}0.080\text{m}$ • Annuity or inflation method – annual MRP charge that takes the time value of money in the form of inflation into consideration Year 1 = £0.047m Year 2 = £0.048m Year 3 = £0.049m Year 4 = £0.050m Year 5 = £0.051m Year 50 = £0.125m

1.08	<p>Option 4 - Depreciation Method</p> <p>Alternatively, provision is made in accordance with the standard rules for depreciation accounting. The method is similar to option 3 above</p>
1.09	<p>WG guidance requires that either option 3 or 4 be used for all capital expenditure which is to be financed by unsupported borrowing or other long term liabilities. Options 1 and 2 are not permitted for this use.</p>
	<p>Housing Revenue Account (HRA)</p>
1.10	<p>Following the introduction of self-financing for the HRA and the voluntary exit from the negative subsidy system on 31st March 2015, from 1st April 2015 the options to calculate the HRA MRP are now similar to the Council Fund as set out above, with the following modifications:</p> <ul style="list-style-type: none"> Options 1 and 2 - the percentage is 4% for the Council Fund and 2% for the HRA; and Options 1 and 2 can be used in relation to debt incurred before 1st April 2021. After that date only Options 3 and 4 may be used. <p>The MRP Policy for 2024/25 reflects the changes required to the HRA MRP method, as indicated in the HRA manual. Option 3 (the asset life annuity method) will be used in relation to debt incurred both before and after 1st April 2021. In relation to debt incurred before 1st April 2021 the MRP will be over 50 years, in relation to debt incurred after 1st April 2021 the MRP will be over an appropriate number of years, dependent on the period of time that the capital expenditure is likely to generate benefits. This ensures new borrowing is written down over the life of the asset that it is financing, which is more in line with proper accounting practice.</p>
1.11	<p>The Council approves loans to its wholly owned subsidiary NEW Homes for the purpose of building affordable homes. The loans qualify as capital expenditure and therefore need to be part of the MRP policy. At its meeting on 14th June 2016 the Council approved the MRP calculation for loans to NEW Homes as outlined in recommendation 3 above.</p>
	<p>Practical Considerations</p>
1.12	<p>The useful life of an asset will vary depending on the class of asset concerned; a vehicle or ICT equipment may be financed over 5 years, whereas a new school over 50 years. Judgements about the useful life will need to be made on an individual basis as expenditure is incurred.</p>
1.13	<p>Large capital projects may take a number of years to complete, for example the Sustainable Communities for Learning building programme. In this instance the MRP is incurred in the year after the asset has become operational, rather than during the construction phase.</p>
1.14	<p>It is important to note that the capital financing position on outstanding capital expenditure (the Capital Financing Requirement) and the Council's level of external borrowing are not the same.</p>

	<p>Regulations stipulate that the Council can only borrow for capital purposes. However, in day to day cash management, no distinction can be made between revenue cash and capital cash. External debt arises as a consequence of all the financial transactions of the Council and not simply those arising from capital spending. Nevertheless, checks are in place to ensure the Council does not borrow in the medium to long term for revenue purposes, as referred to in the Capital Strategy report approved by Council in December 2023.</p> <p>In practice, the Council is under borrowed, this arises when the level of external borrowing is below the capital financing position on outstanding capital expenditure. The Council, through its treasury management processes, makes use of available cash arising from reserves etc. to fund capital expenditure and has ‘internally’ borrowed to an extent. By doing so, the Council is able to reduce net borrowing costs (despite forgone investment income) and reduce overall treasury risk.</p> <p>Such activities are considered best practice and are undertaken in accordance with the Council's Treasury Management Policy Statement, Strategy, Schedules and Practices.</p>
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2.00	RESOURCE IMPLICATIONS
2.01	The 2024/25 Council Fund and HRA budgets provide for the MRP charges in accordance with the calculations set out in the report.
2.02	There are no other resource implications as a direct result of this report.

3.00	IMPACT ASSESSMENTS AND RISK MANAGEMENT
3.01	<p>An MRP policy has long term effects that cannot be readily undone and therefore has associated risks for future generations in terms of Council Tax and Housing Rents levels.</p> <p>The Well-being of Future Generations (Wales) Act 2015, puts in place a requirement to:</p> <p><i>“act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs”.</i></p> <p>It also requires that authorities take account of, amongst other things:</p> <p><i>“the importance of balancing short term needs with the need to safeguard the ability to meet long term needs”.</i></p> <p>The MRP policy ensures that costs are spread equally in real terms amongst the tax and rent payers benefiting from the capital expenditure. This is not considered as compromising the ability of future generations to meet their</p>

	own needs, merely that future generations pay for assets from which they benefit from using equally to current tax payers.	
3.02	Ways of Working (Sustainable Development) Principles Impact	
	Long-term	Positive - balancing short-term and long-term needs. The MRP policy ensures that costs are spread equally in real terms amongst the tax and rent payers benefiting from the capital expenditure.
	Prevention	No impact
	Integration	No impact
	Collaboration	No impact
	Involvement	No impact
	Well-being Goals Impact	
	Prosperous Wales	No impact
	Resilient Wales	No impact
	Healthier Wales	No impact
	More equal Wales	No impact
	Cohesive Wales	No impact
	Vibrant Wales	No impact
	Globally responsible Wales	Financial decisions that enable future generations to thrive. Positive – the MRP policy ensures that costs are spread equally in real terms amongst the tax and rent payers benefiting from the capital expenditure.

4.00	CONSULTATIONS REQUIRED / CARRIED OUT	
4.01	In changing the Council's MRP policy during 2017/18 and 2016/17 detailed discussions took place with the Council's Treasury Management advisors, senior internal officers and key Cabinet Members. Audit Wales was also consulted as external auditors.	
4.02	The revised MRP policy was considered by Council as part of setting the 2018/19 budget in March 2018.	

5.00	APPENDICES
5.01	None

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Council Fund Budget 2018/19 report to Council 1 st March 2018

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Chris Taylor – Strategic Finance Manager Telephone: (01352) 703309 E-mail: christopher.taylor@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Capital Expenditure: Expenditure on the acquisition of non-current assets or expenditure that extends the life or value of an existing asset</p> <p>Capital Financing Requirement (CFR): A measure of the capital expenditure incurred historically by an authority that has yet to be financed from capital receipts, capital grants or revenue financing.</p> <p>Council Fund (CF): The fund to which all the Council’s revenue and capital expenditure is charged.</p> <p>Housing Revenue Account (HRA): The fund to which all the Council’s revenue and capital expenditure relating to its housing stock is charged.</p> <p>Minimum Revenue Provision (MRP): A charge made to the Council Fund to repay borrowing taken out for capital expenditure. Authorities must determine their own prudent MRP charge each year, taking into consideration statutory guidance issued by the Government.</p> <p>Prudential Code: The code of practice drawn up by the Chartered Institute of Public Finance and Accountancy (CIPFA) to underpin the requirements of the Local Government Act 2003 in respect of an authority’s duty to determine the affordability, prudence and sustainability of its capital investment needs.</p> <p>Revenue Expenditure: All expenditure incurred by an authority that cannot be classified as capital expenditure</p> <p>Revenue Support Grant (RSG): Is paid to each authority to cover the cost of providing standard services less the Council Tax income at the standard level.</p>

Unhypothecated Supported Borrowing (USB), commonly referred to as Supported Borrowing: Each year Welsh Government provide Council's with a Supported Borrowing allocation. Council's borrow to fund capital expenditure equivalent to that annual allocation, Welsh Government then include funding to cover the revenue costs associated with the borrowing for future years within the Revenue Support Grant. The Council decides how this funding is spent.

Unsupported Prudential Borrowing: Borrowing administered under the **Prudential Code**, whereby authorities can set their own policies on acceptable levels and types of borrowing. The Prudential Framework allows authorities to take out loans in response to overall cash flow forecasts and other factors provided they can show that the borrowing is to meet planned capital expenditure in the current year or the next three years.

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 7



CABINET

Date of Meeting	Tuesday 20th February, 2024
Report Subject	Revenue Budget Monitoring Report 2023/24 (Month 9)
Cabinet Member	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

This monthly report provides the latest detailed overview of the budget monitoring position for the 2023/24 financial year for the Council Fund and Housing Revenue Account and presents the position, based on actual income and expenditure as at Month 9.

The projected year end position is as follows:

Council Fund

- An operating deficit of £2.502m which is a favourable movement of £0.440m from the deficit figure reported at Month 8.
- A projected contingency reserve available balance as at 31 March 2024 of £5.108m. (after the actual impact of pay awards and taking account of previously approved allocations).

Housing Revenue Account

- Net in-year revenue expenditure is forecast to be £0.049m higher than budget which is an adverse movement of £0.031m from the figure reported at Month 8.
- A projected closing balance as at 31 March, 2024 of £3.148m

The economic outlook remains challenging due to inflation levels remaining high.

The impacts of this, together with continued increases in service demand is becoming increasingly hard to deal with as our funding fails to keep up with the scale of these pressures.

To assist with managing these risks and mitigating the overall projected overspend, a moratorium on non-contractually committed spend has been put in place alongside a vacancy management process which continues.

At Month 9, £1.548m of deferred and/or delayed expenditure has been identified and is analysed by service within Appendix 2. The robust challenge of budget lines and commitments will continue, and further updates provided in future reports.

RECOMMENDATIONS

1	To note the report and the estimated financial impact on the 2023/24 budget.
2	To support the carry forward requests included in paragraph 1.10.

REPORT DETAILS

1.00	EXPLAINING THE REVENUE BUDGET MONITORING 2023/24
1.01	<p>The projected year end position is as follows:</p> <p>Council Fund</p> <ul style="list-style-type: none"> An operating deficit of £2.502m which is a favourable movement of £0.440m from the deficit figure reported at Month 8. A projected contingency reserve available balance as at 31 March 2024 of £5.108m (after the actual impact of pay awards and taking account of previously approved allocations). <p>Housing Revenue Account</p> <ul style="list-style-type: none"> Net in-year revenue expenditure forecast to be £0.049m higher than budget which is an adverse movement of £0.031m from the figure reported at Month 8. A projected closing balance as at 31 March, 2024 of £3.148m <p>To assist with managing these risks and mitigating the overall projected overspend, a moratorium on non-contractually committed spend has been put in place alongside a vacancy management process which continues.</p> <p>At Month 9, £1.548m of deferred and/or delayed expenditure have been identified and is analysed by service within Appendix 2. The robust challenge of budget lines and commitments will continue, and further updates provided in future reports.</p>
1.02	<p>Hardship Funding from Welsh Government helped secure £16m of direct financial help in 2022/23 for areas such as self-isolation payments, statutory sick pay enhancement, free school meals direct payments and winter fuel payments. However, this funding ceased on 31 March 2023.</p>

1.03 **Table 1. Projected Position by Portfolio**

The table below shows the projected position by portfolio:

Portfolio/Service Area	Approved Budget	Projected Outturn	In-Year Over / (Under) spend
	£m	£m	£m
Social Services	89.235	89.833	0.598
Out of County Placements	17.285	18.889	1.603
Education & Youth (Non-Schools)	10.327	9.942	(0.385)
Schools	114.043	114.291	0.248
Streetscene & Transportation	42.227	43.681	1.454
Planning Env & Economy	7.557	6.811	(0.746)
People & Resources	4.697	4.518	(0.179)
Governance	11.943	11.540	(0.403)
Assets	11.141	10.771	(0.370)
Housing & Communities	15.990	18.673	2.683
Chief Executive	1.672	1.656	(0.016)
Central & Corporate Finance	26.003	24.018	(1.985)
Total	352.121	354.623	2.502

The changes made to the approved budget since Month 8 between Schools and Education and Youth (Non Schools) relate to permanent exclusions and managed moves and to cover the Fresh Start provision.

1.04 The reasons for the monthly movements over £0.025m are shown in Appendix 1 and overall projected variances over £0.050m are summarised within Appendix 2 together with a summary of minor variances for each portfolio.

Significant Movements from Month 8

1.05 **Social Services (£0.072m)**

The favourable movement relates to:

Older People

- Localities £0.164m – Residential Care costs have increased by £0.118m and Domiciliary Care costs have increased by £0.067m. Both of these are demand led services. Capacity to deliver care has been affected by recruitment issues but recently there has been improvement within some parts of the care sector. There is a

	<p>decrease of (£0.021m) on staffing costs due to a number of minor variances on pay and travel.</p> <ul style="list-style-type: none"> • Community Equipment Contribution £0.030m – the increase in the annual contribution made to the North East Community Equipment Stores due to increases in pay following the Pay Award 2023/24. • Resources & Regulated Services (£0.122m) – positive variances for Older People Residential Care costs (£0.049m), Extra Care (£0.011m) and Homecare (£0.065m). Recruitment and retention continues to be a challenge and prolonged delays lead to a reduction in service provision. Day Care costs have increased by £0.032m. <p>Adults of Working Age</p> <ul style="list-style-type: none"> • Residential Placements (£0.064m) – adjustments to care packages have resulted in the decrease in projected costs. <p>Children’s Services</p> <ul style="list-style-type: none"> • Family Placement £0.132m – Costs have been transferred from Children’s Services professional support Leaving Care budget for payments associated with ‘When I am Ready’ foster allowances. This allows young adults previously in foster care as children to remain in the same placement until ready to move out. • Professional Support (£0.125m) – ‘When I am Ready’ costs have been transferred to Family Placement. <p>Minor variances across the Portfolio account for the remainder (£0.087m)</p>
1.06	<p>Out of County Placements £0.077m</p> <p>The adverse movement relates to:</p> <ul style="list-style-type: none"> • Children’s Services £0.142m - Net impacts of new placements, changes of placements, ended placements and removal of contingency provision. • Education & Youth (£0.065m) - Net impacts of new placements, changes of placements and reduction of contingency provision
1.07	<p>Governance (£0.178m)</p> <p>The favourable movement relates to:</p> <ul style="list-style-type: none"> • Review and revision of Bad Debt Impairment percentages within the Council Tax Collection Fund thereby increased the anticipated surplus by (£0.100m). • delayed / deferred expenditure within Internal audit for the moratorium (£0.029m) • revised contribution to Denbighshire County Council for the Procurement Service (£0.027m). <p>Minor variances across the Portfolio account for the remainder (£0.022m).</p>
1.08	<p>Central & Corporate (£0.102m)</p>

	A further review of the Central Loans and Investment Account at Month 9 indicates a further improvement on the position.
1.09	Cumulative minor variances across the Council of (£0.165m) account for the remainder of the total monthly movement.
1.10	<p>Carry Forward Requests</p> <p>Planning, Environment & Economy £0.050m To fund a specialist practitioner post for 12 months to work on the new established requirements for Special Procedures.</p> <p>Special Procedures will be introduced in Wales in 2024/25 and will be a regulatory framework for those who carry out skin piercing activities. It will supersede any local by-laws with respect to these activities, the requirements will be even more stringent. It is a mandatory licensing scheme, which will be resource heavy, particularly over the first 18 months. Existing practitioners will need to apply for a new licence and therefore new inspections will need to be undertaken by officers.</p> <p>This post will lay the groundwork for the Service thereby facilitating a future income stream once fully online and functioning.</p> <p>Governance £0.210m</p> <p>To request the anticipated underspend across the Customer Contact budget in 2023-24 is transferred to the Digital Strategy Reserve.</p> <p>The Digital Strategy Reserve (DSR) was created in 2018 using an invest to save budget of £0.550m and has subsequently been topped up with £0.353m from various revenue budget underspends bringing the overall allocation to £0.903m. To date £0.451m has been spent with the anticipated outturn into 2024/25 totalling £0.747m leaving a DSR balance of £0.156m to support the Council's ambitious Digital Strategy and transformation by resourcing the following fixed term posts:</p> <ul style="list-style-type: none"> • Digital Officers (G04) x 2 FTE • Digital Solutions Technician (G04) x 1 FTE • Transformation Officer (G06) x 0.6 FTE <p>These posts are critical in driving forward digital development and delivery of digital solutions to deliver change and are linked with the Council's new transformation programme. To retain the current postholders it is necessary to extend the fixed term contracts for a further two years until 31 March 2027. This carry forward would assist in topping up the DSR and avoid a future pressure bid within the MTFs.</p>
1.11	<p>Tracking of In-Year Risks and Emerging Issues</p> <p>Members were made aware when setting the budget that there were a number of open risks that would need to be kept under close review. An update on these is provided below.</p>

1.12	<p>Council Tax Income</p> <p>The 'in-year' collection level is 85.3% the same level as the previous year. Rising costs-of-living continue to impact on the ability of some households to make payment of council tax on time.</p>
1.13	<p>Pay Award (Teacher and Non-Teacher)</p> <p><u>NJC (Green Book)</u></p> <p>The actual impact of the pay offer for 2023/24 was an additional £2.702m which is being met from Contingency Reserve.</p> <p><u>Teachers Pay</u></p> <p>Increases as previously outlined have been accepted by all teaching unions.</p>
1.14	<p>Pay Modelling</p> <p>No figures are currently included for any impact of the pay modelling review which is needed to try and address the difficulties currently being experienced in recruitment and retention. It is due to be completed later this year.</p>
1.15	<p>Waste Recycling Infraction Charge</p> <p>The Council did not meet the statutory minimum target, (64%) in 2021/22, for the percentage of municipal waste which must be recycled, prepared for re-use and composted, as specified in Section 3 of the Waste (Wales) Measure 2010. Welsh Government can therefore take steps to impose a penalty on the Council by way of an infraction fine. A potential penalty of up to £0.663m has been confirmed so presents a significant financial risk to the Council.</p> <p>Discussions took place in March,2023 between Welsh Government (WG) and the Council as to the reasons for not achieving the target. The Council has subsequently been instructed by WG to engage with the Waste and Resources Action Programme (WRAP) and Local Partnerships to review our waste strategy and develop a new action plan. Depending on the outcome of the review, the Minister will take a decision at that point whether to levy the fine.</p> <p>Unfortunately, the statutory recycling targets have not been achieved in 2022/23 too (non-verified), which means that a further infraction fine could be levied of around £0.470m should WG choose to do so, and monitoring of the authority's recycling performance for 2023/24 to date shows that the rates of recycling and residual waste tonnages are not improving, which could lead to not achieving the targets in 2023/24 also.</p>
1.16	<p>Homelessness</p> <p>There continues to be a significant and growing demand within the Homelessness service. The Council has a statutory duty to provide suitable</p>

	<p>temporary accommodation for Homeless persons and families who meet the Welsh Government eligibility criteria which are less stringent than in England. The growth in demand commenced in the second half of 2022/23 and continued to accelerate markedly between April and December,2023.</p> <p>One of the more significant influences of many is the sparsity of affordable accommodation in the private rented sector which is being influenced by the cost-of-living crisis and an increase in the numbers of no-fault evictions as many private rented sector landlords are leaving the sector and seeking to sell their properties. There is also an acute shortage of suitable available accommodation within the Council's own HRA housing stock and with other Registered Social Landlords (RSL's) within the area. This is particularly the case for single persons below age 55 which make up the highest proportion of those who are currently homeless in Flintshire. The Flintshire position in terms of both demand and supply pressures is known to be consistent on both a regional and national basis within Wales.</p> <p>The Council will continue to lobby Welsh Government via the WLGA in conjunction with other Welsh LA's who are experiencing these pressures to seek additional financial support.</p> <p>WG are currently providing support via the No One Left Out grant for which the 2023/24 allocation is currently £0.382m. One favourable impact of the increase in costs and demand is the ability to recover additional Housing Benefit income over and above the amount budgeted which is currently helping to offset the projected overspend by £0.441m.</p> <p>The mitigations options approved by Cabinet and Community and Housing Overview and Scrutiny are now being actively progressed by a Housing Options officer working group with a view to increasing the supply of accommodation for Homeless persons as alternatives to the more expensive emergency accommodation.</p>
1.17	<p>Storm Babet</p> <p>Storm Babet was an intense extratropical cyclone which affected many parts of the County from 19 October through to the end of 21 October 2023. This was followed rapidly by Storm Ciaran, which although saw less impact, still necessitated significant resources in response.</p> <p>The storm caused severe disruption to travel with many roads closed, railways flooded, schools closed, and properties being affected by flood water. Storm Ciaran also required a priority response and caused some additional costs.</p> <p>The Council has been incurring the financial impact of the emergency response, assessing damage to infrastructure and arranging the necessary remedial works to be carried out in the aftermath. This is currently estimated at £1.5m.</p> <p>There is an Emergency Financial Assistance Fund (EFAS) that Welsh Government have in place. However, Authorities are expected to make reasonable provision in their budgets to deal with contingencies. Therefore,</p>

if an Emergency Financial Assistance Scheme is activated, the authority affected will be expected to meet all eligible expenditure up to the level of its threshold.

Thresholds are calculated at 0.2% of authority's annual budget requirement and apply to the whole financial year, not to each incident within the financial year and for Flintshire, this amounts to emergency funding being provided at 85% for costs over and above the threshold of £0.711m. WG have been notified of our intention to allocate the costs against the EFAS scheme, which will require Minister approval.

There is a Severe Weather Earmarked Reserve totalling £0.250m which can assist in funding some of these costs.

The financial impact of Storms Babet and Ciaran is estimated as follows: -

Description	Costs to date £m	Projected future costs £m	Total Costs £m
Clean Up	0.300	0.150	0.450
Priority re-instatement works		1.000	1.000
Other storm damage costs		0.050	0.050
Total Projected Costs	0.300	1.200	1.500
Severe Weather Reserve			-0.250
EFAS Funding @ 85%*			-0.671
Projected net cost of storms			0.579

*£1.5m less £0.711m threshold = £0.789m x 85% = £0.671m

1.18 **Other Tracked Risks**

In addition, there are a number of risks being tracked which may be subject to change and these are summarised below.

1.19 **Medium Term Financial Strategy (MTFS) Impact**

An update on the latest budget position was reported in January and provided an update on the impact of the Welsh Local Government Provisional Settlement which had the effect of increasing the remaining budget gap to £12.946m.

Work on the remaining solutions to meet the gap has now been concluded and the final budget will be considered as part of the agenda for this meeting together and will include a projection of the medium-term position for 2025/26 and 2026/27.

All Portfolios consider their financial position, the risks within their service and the impacts on the Medium Term on a monthly basis as part of their Portfolio Management Team meetings.

1.20 **Out of County Placements**

	<p>The risks include continued high demand for placements where children and young people cannot be supported within in-house provision, and market supply limitation factors and inflationary pressures leading to higher costs. An additional amount of £1m was approved in the 2023/24 budget to reflect this.</p> <p>However, there remains a projected overspend for the current cohort of placements of circa £1.603m, although with 3 months of the year remaining this is likely to increase and a contingency of £0.200m is currently built into the outturn position for this, £0.100m for Children’s Services and £0.100m for Education placements.</p> <p>The service areas within this pooled budget will continue to do everything possible to manage these risks and additional investment has already been made to further develop in-house provision to help to mitigate against such financial pressures.</p>
1.21	<p>Streetscene & Transportation</p> <p><u>Fleet Contract Renewal</u> The current fleet contract, which has been in operation for 7 years, was renewed for a temporary period of 6 months from October 2023. Due to the current market conditions in re-procurement of contracts of this type, the cost of the new contract is considerably more than what was previously being paid, due to being protected from inflationary increases during the previous contract life. The cost of the contract will further increase from April 2024 and provision is being made within the 2024/25 budget considerations for this.</p> <p><u>Sustainable Waste Management Grant (SWMG)</u> The Minister for Climate Change has confirmed that the SWMG grant will be retained at the same level for this financial year. However, those local authorities that are not yet meeting the statutory recycling target of 70% will be required to use the grant to reach 70% and be required to demonstrate this. It has also been confirmed that the SWMG grant will likely become part of the Revenue Support Grant (RSG) funding from 2024/25. The current value of the grant is £0.742m per annum, but it is not yet confirmed whether the proportion that Flintshire will receive within the Welsh Local Government settlement will be similar to current levels.</p>
1.22	<p>Education & Youth (Non-Schools)</p> <p><u>Inclusion and Progression</u> The services that the Inclusion and Progression teams provide within Education and Youth portfolio are under significant pressure.</p> <p>Prior to the pandemic the service had seen increasing numbers of children and young people presenting with an increased level of significant and complex needs, resulting in the council being dependent on non-Flintshire provision.</p>

	<p>Post pandemic the situation has worsened with increasing numbers of pre-school children needing support and challenging behaviour causing concern across both primary and secondary schools. In addition, there are increased rates of emotionally based school avoidance. As a result, levels of attendance have reduced, whilst all forms of exclusions have increased. All of which contributes to a requirement for more specialist and bespoke intervention.</p> <p>The service is taking steps to actively manage demand, alongside reviewing provision, and seeking to develop and enhance in house provision.</p> <p>The pressures are being experienced across Wales, at a time when schools and central services are implementing the Additional Learning Need (ALN) reforms.</p> <p>Welsh Government have made additional grants available to support schools and councils. However, there are risks over reliance on temporary grant funding and its ability to meet demand within existing budgets and available grants.</p>
1.23	<p>Harpur Trust vs Brazel Case</p> <p>The potential financial impacts are still being determined in response to the Employment Appeal Tribunal (EAT) decision in the case of Harpur Trust v Brazel. The Supreme Court upheld the EAT judgment in the Brazel case in July 2022 which impacts on the calculation of holiday pay entitlements for staff who work for part of the year (i.e., term time). An approved carry forward from 2022/23 for £0.254m will provide some funding towards these costs.</p>
1.24	<p>Achievement of Planned In-Year Efficiencies</p> <p>The 2023/24 budget contains £9.265m of specific efficiencies which are tracked and monitored throughout the year. The Council aims to achieve a 95% rate in 2023/24 as reflected in the MTFs KPI's and fully achieved all efficiencies in the previous financial year.</p> <p>It is projected that 99% of efficiencies will be achieved in 2023/24 and further details can be seen in Appendix 3.</p>
1.25	<p>Unearmarked Reserves</p> <p>The final level of Council Fund Contingency Reserve brought forward into 2023/24 was £9.508m as detailed in the 2022/23 outturn report (subject to Audit).</p> <p>The brought forward balance on the COVID-19 Hardship Reserve was £3.743m. Internal claims for Quarters 1 to 3 in 2023/24 totalling £0.531m for Holywell Leisure Centre, Cambrian Aquatics, Streetscene & Transportation and Free School Meals covering the Christmas holiday period have been approved so far. The current balance remains at £3.212m.</p> <p>The projected contingency reserve available as at 31 March, 2024 is £5.108m (after the actual impact of final pay awards and previously approved allocations) and is shown in Appendix 4.</p>

The Council Tax Balance released to Reserves was overstated by £0.250m at Month 8 so it has been necessary to adjust the projected amount remaining by the same amount – see Appendix 4.

1.26 Earmarked Reserves

The table below provides a summary of earmarked reserves as at 1 April 2023 and an estimate of projected balances as at the end of the current financial year.

Council Fund Earmarked Reserves 2023/24

Monitoring Summary Month 9

Reserve Type	Balance as at 01/04/23	Balance as at Month 9	Release to General Reserve	Estimated Balance as at 31/03/24
Service Balances	6,184,486	4,206,339	274,703	1,318,968
Workforce Costs	843,190	843,190	0	819,971
Investment in Organisational Change	1,350,875	1,350,875	0	930,138
County Elections	74,777	74,777	0	74,777
Local Development Plan (LDP)	115,360	115,360	115,360	0
Warm Homes Admin Fee	315,985	315,985	0	315,985
Waste Disposal	48,771	48,771	8,133	40,638
Design Fees	250,000	250,000	0	200,000
Winter Maintenance	250,000	250,000	0	0
Severe Weather	250,000	250,000	0	0
Car Parking	88,059	88,059	0	88,059
Insurance Reserves	2,201,372	2,201,372	0	2,325,000
School HWB ICT Replacement	526,447	526,447	0	789,670
Free School Meals	30,398	30,398	0	0
Flintshire Trainees	562,948	562,948	0	524,000
Rent Income Shortfall	106,118	106,118	0	106,118
Plas Derwen Wave 4	3,560	3,560	0	1,780
Customer Service Strategy	22,468	7,468	0	0
Supervision Fees	48,798	48,798	0	48,798
IT COVID Enquiry	142,301	142,301	0	132,000
ICT Servers Reserve	170,000	0	0	0
IT Infrastructure HWB	312,442	139,442	0	44,442
Schools Intervention Reserve	705,836	227,314	0	162,890
Organisational Change/ADM	873,546	1,226,546	0	626,546
NWEAB	330,927	330,927	0	0
Solar Farms	62,416	62,416	0	62,416
20 MPH Scheme	111,186	111,186	0	0
Employment Claims	109,846	109,846	0	109,846
Community Benefit Fund NWRWTP	683,164	683,164	0	229,792
Total B823 Balances	10,590,790	10,107,268	123,493	7,632,866
Schools Balances	6,716,596	6,716,596	0	1,606,613
Grants & Contributions	7,066,214	4,609,145	500,000	1,856,431
TOTAL	30,558,085	25,639,348	898,196	12,414,878

1.27 Housing Revenue Account

The 2022/23 Outturn Report to Cabinet on 18th July 2023 showed an un-earmarked closing balance at the end of 2022/23 of £3.786m and a closing balance of earmarked reserves of £2.690m.

1.28	The 2023/24 budget for the HRA is £39.418m which includes a movement of (£0.589m) from reserves.
1.29	Net in-year revenue expenditure forecast to be £0.049m higher than budget with a projected closing balance as at 31 st March, 2024 of £3.148m. Minor variances account for the adverse movement £0.031m.
1.30	The budget contribution towards capital expenditure (CERA) is £12.712m.

2.00	RESOURCE IMPLICATIONS
2.01	As set out within the report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	The financial impacts as set out in the report are a combination of actual costs and losses to date and estimates of costs and losses for the future. There is the possibility that the estimates will change over time. The budget will be monitored closely, and mitigation actions taken wherever possible.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None specific.

5.00	APPENDICES
5.01	Appendix 1: Council Fund – Movement in Variances from Month 8 Appendix 2: Council Fund - Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Various budget records.

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Dave Ledsham Strategic Finance Manager Telephone: 01352 704503 E-mail: dave.ledsham@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	<p>Budget: a statement expressing the Council’s policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>Council Fund: the fund to which all the Council’s revenue expenditure is charged.</p> <p>Financial Year: the period of twelve months commencing on 1 April.</p> <p>Housing Revenue Account: the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.</p> <p>Projected Outturn: projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</p> <p>Regional Integration Fund (RIF): funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.</p> <p>Reserves: these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.</p> <p>Revenue: a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p>Variance: difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.</p> <p>Virement: the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.</p>

Mae'r dudalen hon yn wag yn bwrpasol

MONTH 9 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Social Services		
Older People		
Localities	0.164	Residential Care costs have increased by £0.118m and Domiciliary Care costs have increased by £0.067m. Both of these are demand led services. Capacity to deliver care has been affected by recruitment issues but recently there has been improvement within some parts of the care sector. There is a decrease of (£0.021m) on staffing costs due to a number of minor variances on pay and travel.
Community Equipment Contribution	0.030	This is due to an increase to the annual contribution to the North East Community Equipment Stores due to pay increases from the 2023/24 pay award.
Resources & Regulated Services	-0.122	There have been positive variances for Older People Residential Care of £0.049m, Extra Care of £0.011m and Homecare for £0.065m. Recruitment and retention continues to be a challenge and prolonged recruitment delays lead to a reduction in services. Day care costs increased by £0.032m.
Minor Variances	-0.022	
Adults of Working Age		
Residential Placements	-0.064	Changes to care packages have resulted in a decrease in projected costs
Minor Variances	-0.067	A number of minor movements across the service no more than -£0.025m individually.
Children's Services		
Family Placement	0.132	Costs have been transferred from Children's Services Professional Support Leaving Care budget for payments associated with "When I am Ready" foster allowances. This allows young adults who were in foster care as children to remain in the same placement until ready to move out.
Professional Support	-0.125	"When I am Ready" fostering costs have been transferred from the Leaving Care budget to the Family Placement Budget.
Minor Variances	0.031	
Safeguarding & Commissioning		
Minor Variances	-0.028	
Total Social Services	-0.072	
Out of County Placements		
Children's Services	0.142	Net impacts of new placements, changes of placements, ended placements and reduction of contingency provision
Education & Youth	-0.065	Net impacts of one new placement, and a number of ended placements
Total Out of County Placements	0.077	
Education & Youth (Non-Schools)		
Minor Variances	-0.018	
Total Education & Youth (Non-Schools)	-0.018	
Schools	0.016	
Streetscene & Transportation		
Highways Network	0.068	Further costs associated with clean up from Storm Babet and Storm Ciaran £0.075m
Regulatory Services	-0.048	Savings as a result of the Moratorium
Other Minor Variances	-0.032	Vacancy savings within Transport Strategy (£0.021m)
Total Streetscene & Transportation	-0.013	
Planning, Environment & Economy		
Regeneration	-0.027	Maximisation of Grant Income
Management & Strategy	-0.042	Commitment review and removal of prior year Purchase Orders
Total Planning & Environment	-0.069	
People & Resources		
HR & OD	0.026	£0.013m commitment for Annual License fee for cloud based payroll and HR software. Minor variances across the service account for the remainder.
Corporate Finance	-0.010	
Total People & Resources	0.017	
Governance		

MONTH 9 - SUMMARY

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
Internal Audit	-0.043	Moratorium deferred expenditure on Agency /Consultancy £0.029m, revised outturn on postage expenditure in Central Despatch, minor variances across the Service
Procurement	-0.027	Revised contribution to Denbighshire County Council for the Service.
Revenues	-0.101	At Month 9 a review of the impairment percentages relating to Council Tax debt in 2023/24 and the Council Tax Collection Fund have increased the anticipated Surplus to £0.250m
Minor Variances	-0.008	
Total Governance	-0.178	
Assets		
Minor Variances	-0.046	Industrial Unit Rents (£0.022m)
Total Assets	-0.046	
Housing and Communities		
Housing Solutions	-0.032	Net impacts of reduced hotel costs, reduced Housing Benefit income and other minor movements
Minor Variances	-0.009	
Total Housing and Communities	-0.041	
Chief Executive's		
	-0.010	
Central & Corporate Finance		
	-0.102	Further review of the Central Loans & Investment Account (CLIA) indicates a positive movement of (£0.100m)
Grand Total	-0.440	

Budget Monitoring Report - Month 9

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	In-year Moratorium (£m)	Cause of Major Variances greater than £0.050m	Action Required
Social Services							
Older People							
Localities	23.247	23.474	0.227	0.063	-0.111	The Older Peoples residential care budget is projecting an overspend of £0.056m due to service demand net of client income from property recharges and expensed reimbursements where we are waiting on decisions of deputyships and assets held in trust. Homecare is £0.029m overspent. Locality workforce and professional support budgets are underspent by (£0.097m) due to vacancies, and day care is underspending by (£0.024m).	
Resources & Regulated Services	10.264	10.100	-0.164	-0.042	0.000	In-house residential care is expected to overspend by £0.087m due to staff and running costs. Homecare is predicted to underspend by £0.0260m due to vacancies. The Extra Care budget is projecting an overspend of £0.115m due to staff costs and day care is underspent by £0.106m.	
Minor Variances	1.360	1.326	-0.034	-0.042	0.000		
Adults of Working Age					0.000		
Children to Adult Transition Services	1.001	0.777	-0.224	-0.202	0.000	This is the cost of care packages for young adults transferring from Children's Services to Adult Social Care. Care packages are new this financial year and need to be estimated in the first instance, meaning costs can change throughout the year as service costs are finalised.	
Professional and Administrative Support	0.468	0.370	-0.097	-0.086	-0.011	The impact of in-year vacancies is resulting in the service underspend.	
Transition & Disability Services Team	0.818	0.757	-0.062	-0.054	-0.007	There are vacancies within this service and recruitment has been delayed resulting in the underspend.	
Residential Placements	2.607	2.856	0.250	0.314	0.000	This is the overall cost of care packages for mental health service users. This is a volatile service and additional service needs can be identified throughout the year leading to increased costs.	
Professional Support	0.859	0.801	-0.058	-0.058	-0.100	The underspend is due to in-year vacancies. Most of these have been filled now, with one vacancy remaining to be appointed to.	
Substance Misuse	0.385	0.331	-0.054	-0.036	0.000	There are currently three posts vacant within this service.	
Minor Variances	35.384	35.321	-0.063	-0.053	0.000		
Children's Services					0.000		
Family Group Meetings	0.126	0.217	0.091	0.072	-0.005	High demand is resulting in increased sessional workers hours and therefore increased costs.	
Family Placement	3.175	3.085	-0.090	-0.222	0.000	There are lower numbers of in-house foster carers than we have historically had	
Integrated Working	0.210	0.270	0.060	0.062	0.000	Pressures are due to contributions toward the Integrated Family Support Service and a shortfall in Supported People Funding	
Family Support	0.416	0.469	0.053	0.050	-0.020	Demand is high for this service which is resulting in additional sessional staff hours	
Legal & Third Party	0.262	0.602	0.340	0.336	0.000	Legal costs are overspent £0.206m due to the number of cases going through courts and some use of external legal professionals. Client support and Section 17 costs are overspent by £0.133m due to demand. Direct Payments are overspending by £0.001m.	
Residential Placements	1.669	1.331	-0.339	-0.343	0.000	The in-house residential care provision is in receipt of a significant Welsh Government grant which is offsetting in-year costs.	

Budget Monitoring Report - Month 9

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	In-year Moratorium (£m)	Cause of Major Variances greater than £0.050m	Action Required
Professional Support	6.128	6.961	0.833	0.958	-0.020	To sport adequate levels of child protection, the established staffing structure needs to be at a sufficient level to meet mandatory safeguarding standards. Vacancies are minimised where possible and additional temporary posts are sometimes required to meet the challenges demands of Childrens Services. Two managed agency teams are currently contracted to support the service. Reserves are being used to mitigate costs as much as possible but there is an overspend of £0.705m as a result. These costs wil increase if contracts are extended. The Leaving Care budget, which supports young people who were looked after children, is overspending by £0.040m due to increased numbers of care leavers which includes young adults who were unaccompanied asylum seeking children. Cost of Direct Payments to provide support to children with disabilities is £0.126m overspent due to service demand. Smaller variances across the service are £0.122m underspent.	
Minor Variances	0.361	0.375	0.014	0.013	0.000		
Safeguarding & Commissioning					0.000		
Business Systems & Financial Assessments	0.988	1.081	0.092	0.089	-0.032	A new social services IT system is being implemented. This requires additional project management and development costs.	
Charging Policy income	-3.385	-3.539	-0.153	-0.150	0.000	This is the income from service users who are charged a contribution towards the care they receive.	
Minor Variances	2.892	2.867	-0.025	0.002	-0.007		
Total Social Services	89.235	89.833	0.598	0.670	-0.313		
Out of County Placements							
Children's Services	12.281	13.762	1.480	1.338	0.000	The service is facing continued high demand for placements together with supply market challenges and inflationary pressures with 44 new placements made in the year to date and no longer any remaining contingency provision for the final quarter of the year.	
Education & Youth	5.004	5.127	0.123	0.189	0.000	The service is facing continued high demand for placements together with supply market challenges and inflationary pressures with 25 new placements made in the year to date and a remaining contingency provision of £0.100m for the final quarter of the year.	
Total Out of County Placements	17.285	18.889	1.603	1.526	0.000		
Education & Youth (Non-Schools)							
Inclusion & Progression	5.577	5.435	-0.142	-0.142	-0.110	Further in-year savings were identified at Month 8 within the Additional Learning Needs (ALN) service and Travellers service. Previously committed expenditure of £0.050m to offset the Primary School ALN Band C overspend, has now been funded from the Local Authority Education Grant - ALN Learner Provision funding. A further £0.060m was identified within the Traveller service from the 2022-23 budget c/f of £0.095m. This was committed for Trauma training. One course has been run to date and the service have made the decision not to run any more courses in 2023-24, therefore releasing the balance of £0.060m as a saving.	
Integrated Youth Provision	0.959	0.860	-0.098	-0.106	-0.030	Savings from staff vacancies	

Budget Monitoring Report - Month 9

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	In-year Moratorium (£m)	Cause of Major Variances greater than £0.050m	Action Required
School Improvement Systems	1.866	1.691	-0.175	-0.163	0.000	The School Improvement service reported an underspend at Month 8, relating to the Digital Adviser post. This role has not been appointed until September 2023, therefore creating an in-year saving. Other savings within the service relate to unexpected income from several grants around ACL (Adult Community Learning) to offset manager time. A further £0.034m was identified from additional grants - £0.027m from the Shared Prosperity fund Multiply project, £0.003m from the Citizens Curriculum grant and £0.004m for the secondment work to Estyn. The saving within the Early Entitlement service has come from a reduction in the payments to settings due to demography. The top-up subsidy continuing and other Welsh Government grants is allowing core budget to be released within the service.	
Minor Variances	1.925	1.956	0.030	0.043	0.000		
Total Education & Youth (Non-Schools)	10.327	9.942	-0.385	-0.367	-0.140		
Schools	114.043	114.291	0.248	0.232		Redundancy costs £0.290m over budget after taking account of reserves carried forward, Free School Meals price increase and take up totalling £0.126m, mitigated by (£0.100m) underspend in pension added years and a number of minor variances totalling (£0.084m) but each below (£0.025m).	
Streetscene & Transportation							
Service Delivery	10.843	11.068	0.225	0.236	-0.077	Service Delivery have implemented tight controls to the allocation of PPE, materials and receptacles through the in-house stores. Changes to the security provision in the Alltami Depot, Greenfield transfer station and HRC sites have generated savings in 2023/24, following a review of the service needs. Depot and HRC site cleaning costs have also been reviewed and reduced by £0.010m. The service is subject to increasing inflationary pressures and demand for temporary repairs on the road network, largely due to a lack of funding and investment in the highway network and fluctuating costs of tar and traffic management for repairs. Any overall overspend, is partly offset by performance of the in-house construction team delivering work such as 20mph scheme rather than contracting the work externally.	
Highways Network	8.594	9.927	1.333	1.266		The renewal of the fleet contract through contract extension from October, 2023 has realised an in-year overspend of £0.658m, of which £0.532m is Council Fund related within the centralised fleet budget. £0.170m is attributable to increases in both road fuel and streetlighting energy, increased insurance premiums and defective highway network infrastructure repairs. The projected costs in relation to the clean up and reinstatement works required following Storm Babet and Storm Ciaran have now increased by a further £0.500m to £1.5m. It is anticipated that some Emergency Financial Assistance Funding (EFAS) from WG can be claimed alongside the utilisation of the Severe Weather Reserve bringing the net cost down to a projected £0.579m.	Further increases on the Fleet Contract in 2024/25 are being considered within the MTFS.
Transportation	11.350	11.142	-0.208	-0.187	-0.190	Vacancies within Transport Strategy and moratorium on recruitment are contributing to the overall underspend.	
Regulatory Services	11.440	11.544	0.104	0.152	-0.120	The overspend variance is due to sustained high volumes of residual black waste being collected, together with the reduction in income levels for both recyclable materials and a reducing return on electricity generation from gas and solar at the former landfill sites.	
Other Minor Variances	-0.000	-0.075	-0.075	-0.000			
Total Streetscene & Transportation	42.227	43.681	1.454	1.467	-0.387		

Budget Monitoring Report - Month 9

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	In-year Moratorium (£m)	Cause of Major Variances greater than £0.050m	Action Required
Planning, Environment & Economy							
Development	0.138	-0.189	-0.327	-0.336	-0.021	Receipt of a one off high value Planning Fee (£0.300m for Northern Gateway)	
Access	1.618	1.699	0.081	0.065	-0.047	Projected cost of Ash Die Back works projected to March, 2024 mitigated by savings from vacant posts and Countryside grant maximisation	
Climate Change	0.183	0.113	-0.070	-0.070	-0.007	Staff savings from vacant posts	
Regeneration	0.813	0.677	-0.136	-0.109	-0.020	Staff savings from vacant posts, Wales Rally GB budget saving, maximisation of grant income	
Management & Strategy	1.409	1.161	-0.248	-0.206	-0.046	Staff savings from vacant posts ; commitment review	
Minor Variances	3.396	3.350	-0.046	-0.022	-0.082		
Total Planning & Environment	7.557	6.811	-0.746	-0.678	-0.223		
People & Resources							
HR & OD	2.419	2.342	-0.077	-0.104	-0.046	Staff savings from vacant posts	
Corporate Finance	2.277	2.176	-0.101	-0.092	-0.097	Staff savings from vacant posts; feasibility studies projected expenditure lower than previously anticipated	
Total People & Resources	4.697	4.518	-0.179	-0.195	-0.143		
Governance							
Legal Services	0.992	1.194	0.202	0.205		Additional costs for locum services covering vacant posts	
Democratic Services	2.468	2.503	0.035	0.049		Backdated Superannuation costs and current level of Members Allowances	
Internal Audit	1.051	0.978	-0.074	-0.031	-0.043	Staff savings from vacant post, moratorium deferred expenditure on Agency/Consultation, revised outturn on postage costs	
Procurement	0.320	0.271	-0.049	-0.022	-0.027	Revised contribution to Denbighshire County Council for the Service	
ICT	5.328	5.265	-0.063	-0.074	-0.147	Estimated cost for packaged software application (Flare) lower than previously anticipated (£0.076m), delayed project savings £0.030m Moratorium, minor variances across the Service	
Customer Services	1.129	0.918	-0.211	-0.210	-0.060	Staff savings from previous vacancies, higher than anticipated fee income in Registrars, commitment challenge across the Service impact of the moratorium	
Revenues	0.655	0.412	-0.243	-0.142		Projected surplus on the Council Tax Collection Fund	
Minor Variances	0.000	0.000	0.000	0.000	-0.005		
Total Governance	11.943	11.540	-0.403	-0.225	-0.282		
Assets							
Administrative Buildings	0.353	0.354	0.000	-0.000			
CPM & Design Services	0.713	0.522	-0.191	-0.191		Due to increased fee income	
Industrial Units	-1.527	-1.586	-0.059	-0.038		Additional rent income	
Minor Variances	11.955	11.836	-0.120	-0.095	-0.020	Caretaking & Security (£0.045m), Policy (£0.036m).	
Total Assets	11.141	10.771	-0.370	-0.324	-0.020		
Housing and Communities							

Budget Monitoring Report - Month 9

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Last Month Variance (£m)	In-year Moratorium (£m)	Cause of Major Variances greater than £0.050m	Action Required
Housing Solutions	2.334	5.022	2.687	2.719		The Housing Solutions service is currently reflecting a net projected overspend of £2.687m. This is mainly due to a projected overspend of £3.583m on temporary accommodation within Hotels and B and B provision, which is being offset by additional Housing Benefit income of (£0.441m). There are also other projected underspends and mitigation impacts within the wider Housing Solutions service amounting to a net figure of £0.455m, including additional internal allocation of HSG to fund salary costs, use of reserves, minor salary savings due to vacancies and use of WG grant income. The service are actively implementing a number of mitigation measures, some of which may have operational impacts on other parts of the wider Housing service, which will be incorporated within an action plan to reduce the current level of projected overspend within the Homelessness service.	
Minor Variances	13.656	13.651	-0.004	0.005	-0.030		
Total Housing and Communities	15.990	18.673	2.683	2.724	-0.030		
Chief Executive's	1.672	1.656	-0.016	-0.005	-0.010		
Central & Corporate Finance	26.003	24.018	-1.985	-1.882			
Soft Loan Mitigation	0.000	0.000	0.000	0.000		The initial projection on the Central Loans and Investment Account (CLIA) was reported as an underspend of (£1.550m) due to the Council having not taken out any new short or long term borrowing and continuing to invest a significant amount of funds. This pattern has continued from the previous financial year resulting in no short term borrowing costs being incurred and the Council generating increased income from investments, which have increased in line with bank interest rates. The favourable variances improved further following the receipt of an NDR Windfall (£0.048m) at Month 6. Further reviews on the CLIA during October (£0.100m), November (£0.250m) and December (£0.100m).have positively increased the variance further up to the (£2.000m).	
Grand Total	352.121	354.624	2.502	2.942	-1.548		

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2023/24 Efficiencies Outturn Tracker - Month 9

Efficiency Description	Accountable Officer	Efficiency Target	Projected Efficiency	(Under)/Over Achievement	Efficiency Open/Closed (O/C)	Reason for variation	Mitigating Action if Amber or Red
		2023/24 £m	2023/24 £m	2023/24 £m			
Portfolio							
Corporate							
Reduction In CLIA	Chris Taylor	0.364	0.364	0.000	C		
Actuarial Review	Gary Ferguson	1.874	1.874	(0.000)	C		
NI Reversal	Rachel Parry Jones	0.474	0.474	0.000	C		
Total Corporate Services		2.712	2.712	(0.000)			
Chief Executives / Assets							
Transport Savings	Neal Cockerton	0.010	0.010	0.000	C		
Vacancy Savings	Neal Cockerton	0.048	0.048	0.000	C		
3rd Sector Budget	Neal Cockerton	0.041	0.041	0.000			
Total Chief Executives		0.099	0.099	0.000			
People & Resources							
Modern Apprentices HR&OD	Sharon Carney	0.072	0.072	0.000	C		
Vacancy Savings Corporate Finance	Gary Ferguson	0.086	0.086	0.000	C		
Transport and Training Savings Corporate Finance	Gary Ferguson	0.016	0.016	0.000	C		
Total People & Resources		0.174	0.174	0.000			
Assets - ADMs							
Newydd	Rachael Corbelli	0.019	0.019	0.000	C		
Newydd NI	Rachael Corbelli	0.023	0.023	0.000	C		
Total Assets - ADMs		0.042	0.042	0.000			
Housing & Communities							
CTRS Reduction	Vicky Clark	0.147	0.147	0.000	C		
Total Housing & Communities		0.147	0.147	0.000			
Governance							
Members Support Budget	Gareth Owen	0.016	0.016	0.000	C		
Members Allowances	Gareth Owen	0.060	0.060	0.000	C		
Central Despatch	Gareth Owen	0.022	0.022	0.000	C		
Mold & Buckley Connects	Gareth Owen	0.060	0.060	0.000	C		
Total Governance		0.158	0.158	0.000			
Planning, Environment & Economy							
Vacancy Savings	Andrew Farrow	0.020	0.020	0.000	C		
Fee Income	Andrew Farrow	0.180	0.180	0.000	C		
Total Planning, Environment & Economy		0.200	0.200	0.000			
Streetscene & Transportation							
Enhanced Enforcement for Recycling	Katie Wilby	0.046	0.046	0.000	O	Side waste enforcement is already taking place with FPNs being issued, but the next steps for enforcing against those who do not habitually recycle will be to take enforcement action if residents place recyclable waste in their black bin. To introduce this will first require a period of education and engagement. Additional x3 recycling officers are currently being recruited and, once appointed, the aim is for these officers to support with door-knocking campaigns and community events in advance of introducing enhanced enforcement	Likely introduction is January 2024.
Part night Street Lighting	Katie Wilby	0.018	0.000	(0.018)	O	Difficult to implement in year due to the consultation required, and the limited opportunity following previous roll-outs. This will also require investment in the equipment to allow the switch-offs	Discussions being held with an update to come how we can achieve this saving.
Review Provision of Public Conveniences	Katie Wilby	0.012	0.000	(0.012)	O	The efficiency is largely reliant on the review of sites following the implementation of the Local Toilet Strategy and capital investment in FY 24/25-26/27.	
Extend, Repair & Reuse Initiatives	Katie Wilby	0.010	0.000	(0.010)	O	When this was put forward, we stated that the initiative would be dependent on investment funding either from WG Circular Economy grant funding or capital programme. We are still awaiting the outcome of our bid to WG, which is now unlikely given the current economic climate. Without the grant funding the initiative cannot be introduced and the efficiency will not be met.	
Waste & Recycling Round Review	Katie Wilby	0.075	0.075	0.000	C		
In House Highways Service	Katie Wilby	0.025	0.025	0.000	C		
Review of Security Arrangements Alltami Depot	Katie Wilby	0.050	0.050	0.000	C		
Apprenticeship Trainee Scheme Reduction	Katie Wilby	0.035	0.035	0.000	C		

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Efficiency Description	Accountable Officer	Efficiency Target	Projected Efficiency	(Under)/Over Achievement	Efficiency Open/Closed (O/C)	Reason for variation	Mitigating Action if Amber or Red	
		2023/24 £m	2023/24 £m	2023/24 £m				
Portfolio								
Increase Car Parking Charges	Income Generation	Katie Wilby	0.187	0.187	0.000	C	Decision approved and new charges will come into effect from October 2023 (original date planned was July 2023). Additional initiatives e.g. Free after Three and extension to parking times will mean that the original efficiency will be difficult to achieve unless the utilisation levels increase beyond current levels. Delays in being implemented.	
Introduce Car Parking Charges on all Council Owned Car Parks	Income Generation	Katie Wilby	0.035	0.000	(0.035)	O		
Fleet Workshop	Income Generation	Katie Wilby	0.010	0.010	0.000	C		
Training Facility	Income Generation	Katie Wilby	0.010	0.010	0.000	C		
Funeral Services	Income Generation	Katie Wilby	0.010	0.010	0.000	C		
Total Streetscene & Transportation			0.523	0.448	(0.075)			
Social Services								
Contribution to Regional Team	Reduction in Contribution	Neil Ayling	0.050	0.050	0.000	C		
Reduced Contribution to EDT	Contract Costs Reduced	Neil Ayling	0.011	0.011	0.000	C		
Retendering of HFT	Contract Costs Reduced	Neil Ayling	0.040	0.040	0.000	C		
Total Social Services			0.101	0.101	0.000			
Education & Youth								
Central Management Budget	Schools Buildings Insurance / Temp	Claire Homard	0.060	0.060	0.000	O		
ALN Advocacy	Offset costs from LAEG ALN Grant	Claire Homard	0.020	0.020	0.000	O		
ALN Legal	Offset costs from LAEG ALN Grant	Claire Homard	0.010	0.010	0.000	O		
ALN Resource Provisions	Offset costs from LAEG ALN Grant	Claire Homard	0.100	0.100	0.000	O		
Early Years Entitlement	Budget Reductions	Claire Homard	0.095	0.095	0.000	O		
Youth Club Buildings	Building Closure	Claire Homard	0.017	0.017	0.000	O		
Youth Services	Vacant Posts (1 FTE 1 PT)	Claire Homard	0.056	0.056	0.000	O		
Youth Justice	Offset costs from Grant	Claire Homard	0.016	0.016	0.000	O		
Total Education & Youth			0.374	0.374	0.000			
Schools								
3% Reduction in Delegated Funding		Claire Homard	3.103	3.103	0.000	O		
NI Reversal (Schools & Teachers)		Claire Homard	0.857	0.857	0.000	O		
Actuarial Review		Claire Homard	0.776	0.776	0.000	O		
Total Schools			4.736	4.736	0.000			
Total 2023/24 Budget Efficiencies			9.265	9.190	(0.075)			

	%	£
Total 2023/24 Budget Efficiencies	100	9.265
Total Projected 2023/24 Budget Efficiencies Underachieved	-1	(0.075)
Total Projected 2023/24 Budget Efficiencies Achieved	99	9.190
Total 2023/24 Budget Efficiencies (Less Previously agreed Decisions)	100	0.000
Total Projected 2023/24 Budget Efficiencies Underachieved	0	0.000
Total Projected 2023/24 Budget Efficiencies Achieved	0	0.000

Movements on Council Fund Unearmarked Reserves

	£m	£m
Total Reserves as at 1 April 2023	19.162	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		13.393
Less - COVID-19 Hardship Funding Allocation		(3.743)
Less - Children's Services Legal Costs		(0.142)
Add - Transfer to Reserve Budget 2023/24		0.006
Less - Clwyd Theatr Cymru (Month 2)		(0.100)
Less - actual impact of the pay award		(2.702)
Add - Total Balances Released to Reserves (Month 5)		0.648
Add - Council Tax Balance Released to Reserves (Month 7)		0.500
Less - Overstated Council Tax Balance at Month 7 (£0.250m previously released at Month 5)		(0.250)
Less - Month 9 projected outturn		(2.502)
Total Contingency Reserve available for use		5.108

Brought Forward 9.508

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Budget Monitoring Report
Housing Revenue Account Variances

MONTH 9 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(38.829)	(38.689)	0.140	0.141	There is a net pressure relating to void properties of £0.251m. This relates to costs such as void rent loss, council tax charges and service charges and is net of additional income relating to new build properties and voids moving to target rent.	
Capital Financing - Loan Charges	7.010	7.010				
Estate Management	3.125	2.887	(0.239)	(0.245)	Projected vacancy savings of approximately (£0.304m) which is being offset by agency costs of £0.191m. Additional allocation of Housing Support Grant (£0.100m). Other minor variances of (£0.026m).	
Landlord Service Costs	1.617	1.483	(0.133)	(0.137)	Projected vacancy savings of approximately (£0.160m). We are also forecasting an increase in fleet costs of £0.033m and materials and hire of £0.045m. There is an anticipated reduction in subcontractor spend of (£0.032m). Other minor variances of (£0.019m).	
Repairs & Maintenance	12.150	12.404	0.253	0.255	Projected vacancy savings of approximately (£0.160m) . Increased Fleet Contract renewal costs of £0.126m. Anticipated increase of £0.250m for void Sub Contractor. Other minor variances of £0.035m.	
Management & Support Services	2.678	2.706	0.028	0.005	Projected vacancy savings of approximately (£0.061m). Insurance Costs £0.034m. Additional contribution to SARTH £0.021m. Support Service savings of (£0.024m). Other minor variances of £0.059m.	
Capital Expenditure From Revenue (CERA)	12.712	12.712				
HRA Projects	0.126	0.126	0.000	(0.000)		
Contribution To / (From) Reserves	(0.589)	(0.589)				
Total Housing Revenue Account	(0.000)	0.049	0.049	0.018		

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Eitem ar gyfer y Rhaglen 8



CABINET

Date of Meeting	Tuesday, 20 th February 2024
Report Subject	Capital Programme Monitoring 2023/24 (Month 9)
Cabinet Member	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

The report summarises changes made to the Capital Programme 2023/24 since it was set in January 2023 to the end of Month 9 (December 2023), along with expenditure incurred to date and the projected outturn.

The Capital Programme has seen a net decrease in budget of (£1.803m) during the period which comprises of:-

- Net budget decrease in the programme of (£0.477m) (See Table 2 - All Council Fund (CF));
- Net Carry Forward to 2024/25 approved at Month 6 of (£1.151m)
- Identified savings at Month 9 of (£0.175m) (CF)

Actual expenditure was £43.441m (See Table 3).

Capital receipts received in the third quarter of 2023/24, along with savings identified total £0.316m. This provides a revised projected surplus in the Capital Programme at Month 9 of £2.312m (from a Month 6 funding surplus of £1.996m) for the 2023/24 – 2025/26 Capital Programme, prior to the realisation of additional capital receipts and/or other funding sources.

RECOMMENDATIONS

	Cabinet are requested to:
1	Approve the overall report.
2	Approve the carry forward adjustments, as set out at 1.12.

REPORT DETAILS

1.00	EXPLAINING THE 2023/24 CAPITAL PROGRAMME MONITORING POSITION – MONTH 9
1.01	Background Council approved a Council Fund (CF) Capital Programme of £33.041m and a Housing Revenue Account (HRA) Capital Programme of £29.457m for 2023/24 at its meeting on 24 January 2023.
1.02	For presentational purposes the Capital Programme is shown as a whole, with sub-totals for the Council Fund and HRA. The HRA programme is 'ring fenced' and can only be used for HRA purposes.
1.03	Changes since Budget approval Table 1 below sets out how the programme has changed during 2023/24. More detailed cumulative information relating to each Portfolio is provided in Appendix A:-

Table 1

REVISED PROGRAMME	Original Budget 2023/24	Carry Forward from 2022/23	2023/24 Previously Reported		Savings - This Period	Changes - This Period	Revised Budget 2023/24
			Changes	Carry Forward to 2024/25			
			£m	£m			
People & Resources	0.350	0.150	(0.113)	0.000	0.000	(0.023)	0.364
Governance	0.357	0.294	0.585	(0.100)	(0.055)	0.023	1.104
Education & Youth	3.696	8.462	4.802	(0.527)	(0.120)	(1.468)	14.845
Social Services	3.680	0.171	2.210	(1.337)	0.000	0.969	5.693
Planning, Environment & Economy	0.040	1.018	1.531	(0.725)	0.000	0.270	2.134
Streetscene & Transportation	1.500	5.756	9.692	(0.546)	0.000	(0.296)	16.106
Housing and Communities	1.660	0.186	0.987	0.000	0.000	0.000	2.833
Capital Programme and Assets	21.758	1.992	0.698	(0.996)	0.000	0.048	23.500
Council Fund Total	33.041	18.029	20.392	(4.231)	(0.175)	(0.477)	66.579
HRA Total	29.457	0.000	(3.177)	0.000	0.000	0.000	26.280
Programme Total	62.498	18.029	17.215	(4.231)	(0.175)	(0.477)	92.859

1.04

Carry Forward from 2022/23

Carry forward sums from 2022/23 to 2023/24, totalling £18.029m (all CF), were approved as a result of the quarterly monitoring reports presented to Cabinet during 2022/23.

1.05

Changes during this period

Funding changes during this period have resulted in a net decrease in the programme total of (£0.477m) (all CF) A summary of the changes, detailing major items, is shown in Table 2 below:-

Table 2

CHANGES DURING THIS PERIOD		
	Para	£m
<u>COUNCIL FUND</u>		
Increases		
Services to Older People	1.06	2.930
Other Aggregate Increases		1.025
		3.955
Decreases		
Learning Disability	1.07	(1.961)
Schools Modernisation	1.08	(1.935)
Other Aggregate Decreases		(0.536)
		(4.432)
Total		(0.477)

1.06 Introduction of Housing with Care Fund and the Integration and Rebalancing Capital Fund grant from Welsh Government (WG) in relation to Croes Atti Newydd Residential Care scheme.

1.07 Re-profiling of prudential borrowing and grant adjusted for in year expenditure in relation to the relocation of day service provision relocation project.

1.08 Re-profiling of grant funding over financial years following the commencement of works at Ysgol Croes Atti, Flint.

1.09 **Capital Expenditure compared to Budget**
 Expenditure incurred as at Month 9, across the whole of the Capital Programme was £43.441m. The breakdown of expenditure is analysed in Table 3, along with the percentage spend against budget.
 This shows that 46.78% of the budget has been spent (CF 44.09%, HRA 53.59%). Corresponding figures for Month 9 2022/23 were 49.32% (CF 42.37%, HRA 60.70%).

1.10 The table also shows a projected underspend (pending carry forward and other adjustments) of £1.810m on the Council Fund and a break-even position on the HRA.

Table 3

EXPENDITURE	Revised Budget	Cumulative Expenditure Month 9	Percentage Spend v Budget	Projected Outturn	Variance Budget v Outturn (Under)/Over
	£m	£m	%	£m	£m
People & Resources	0.364	0.000	0.00	0.364	0.000
Governance	1.104	0.651	58.97	1.016	(0.088)
Education & Youth	14.845	6.454	43.48	13.601	(1.244)
Social Services	5.693	2.067	36.31	5.619	(0.074)
Planning, Environment & Economy	2.134	0.603	28.26	2.134	0.000
Streetscene & Transportation	16.106	6.744	41.87	15.780	(0.326)
Housing & Communities	2.833	1.652	58.31	2.833	0.000
Capital Programme & Assets	23.500	11.187	47.60	23.422	(0.078)
Council Fund Total	66.579	29.358	44.09	64.769	(1.810)
Disabled Adaptations	1.100	0.660	60.00	1.100	0.000
Energy Schemes	5.235	3.337	63.74	5.235	0.000
Major Works	1.714	1.422	82.96	1.714	0.000
Accelerated Programmes	0.595	0.241	40.50	0.595	0.000
WHQS Improvements	13.436	7.558	56.25	13.436	0.000
Modernisation / Improvements	2.200	0.000	0.00	2.200	0.000
SHARP Programme	2.000	0.865	43.25	2.000	0.000
Housing Revenue Account Total	26.280	14.083	53.59	26.280	0.000
Programme Total	92.859	43.441	46.78	91.049	(1.810)

1.11 Details of the variances for individual programme areas are listed in Appendix B, which includes the reasons, and remedial actions which may be required, where those variances exceed +/- 10% of the revised budget. In addition, where carry forward into 2024/25 has been identified, this is also included in the narrative.

1.12 **Carry Forward into 2024/25**
During the quarter, carry forward requirements of £1.810m (all CF) have been identified which reflects reviewed spending plans across all programme areas. These amounts can be split into two areas, those required to meet the cost of programme works and/or retention payments in 2024/25.

1.13 Information relating to each programme area is contained in Appendix B and summarised in Table 4 below:

Table 4

CARRY FORWARD INTO 2024/25	Month 4	Month 6	Reversed	Sub Total	Month 9	Total
	£m	£m	£m	£m	£m	£m
	Governance	0.143	0.012	(0.055)	0.100	0.088
Education & Youth	0.197	0.330	0.000	0.527	1.244	1.771
Social Services	1.337	0.000	0.000	1.337	0.074	1.411
Planning, Environment & Economy	0.508	0.217	0.000	0.725	0.000	0.725
Streetscene & Transportation	0.046	0.500	0.000	0.546	0.326	0.872
Capital Programme & Assets	0.898	0.154	(0.056)	0.996	0.078	1.074
Council Fund	3.129	1.213	(0.111)	4.231	1.810	6.041
TOTAL	3.129	1.213	(0.111)	4.231	1.810	6.041

1.14 **Additional Allocations**

There have been no additional allocations identified in this quarter.

1.15 **Savings**

The following savings have been identified in the programme this quarter:

- Demolition of former Penyffordd Junior CP School - £0.120m. Core funding returned to the programme following award of grant funding from WG for the works.
- Governance £0.055m. The environmental monitoring systems replacement funding can be returned following the approval of the datacentre relocation project.

1.16 **Funding of 2023/24 Approved Schemes**

The position at Month 9 is summarised in Table 5 below for the three year Capital Programme between 2023/24 – 2025/26:-

Table 5

FUNDING OF APPROVED SCHEMES 2023/24 - 2025/26		
	£m	£m
Balance carried forward from 2022/23		(0.937)
Increases		
Surplus in 2023/24 to 2025/26 Budget	(0.365)	
		<u>(0.365)</u>
Decreases		
Actual In year receipts	(0.835)	
Savings	(0.175)	<u>(1.010)</u>
Funding - (Available)/Shortfall		(2.312)

1.17 Capital receipts received in the third quarter of 2023/24, along with savings identified total £0.316m. This provides a revised projected surplus in the Capital Programme at Month 9 of £2.312m (from a Month 6 funding surplus of £1.996m) for the 2023/24 – 2025/26 Capital Programme, prior to the realisation of additional capital receipts and/or other funding sources.

1.18 The 2024/25 – 2026/27 Capital Programme was approved on the 6th December 2023, with a funding surplus of £0.052m. Following the provisional local government settlement, the Council will receive a reduced allocation in 2024/25 of £0.033m compared to the estimated funding. This gives a potential reduction of £0.099m over the three-year programme, resulting in a deficit of £0.047m.

The capital receipts and savings identified this quarter results in the programme being back in a surplus position of £0.269m.

1.19 **Investment in County Towns**

At its meeting on 12th December 2017, the Council approved a Notice of Motion relating to the reporting of investment in county towns. The extent and format of the reporting was agreed at the Corporate Resources Overview and Scrutiny Committee on 14th June 2018.

1.20 Table 6 below shows a summary of the 2022/23 actual expenditure, the 2023/24 revised budget and budgets for future years as approved by Council at its meeting of 6th December, 2023. Further detail can be found in Appendix C, including details of the 2023/24 spend to Month 9.

Table 6

INVESTMENT IN COUNTY TOWNS			
	2022/23	2023/24	2024 -
	Actual	Revised	2027
	£m	Budget	Budget
	£m	£m	£m
Buckley / Penyffordd	0.745	5.408	9.288
Connah's Quay / Shotton	2.225	1.438	0.000
Flint / Bagillt	2.135	5.868	26.498
Holywell / Caerwys / Mostyn	4.195	1.246	0.000
Mold / Treuddyn / Cilcain	5.713	22.659	36.188
Queensferry / Hawarden / Sealand	0.520	2.839	0.000
Saltney / Broughton / Hope	1.250	0.326	16.000
Unallocated / To Be Confirmed	0.980	5.554	27.580
Total	17.763	45.338	115.554

1.21 The inclusion of actuals for 2022/23 and approved schemes for future years allows a slightly fuller picture of investment plans. However, expenditure which has occurred in years prior to 2022/23 has not been included, and the expenditure and budgets reported should be considered in that context.

1.22 There are two significant factors which increase allocations to areas, which are homes developed under SHARP, and new or remodelled schools. The impact of these can be seen in the detail shown in Appendix C.

1.23 Some expenditure cannot yet be allocated to specific towns as schemes are not yet fully developed or are generic in nature and not easily identifiable to one of the seven areas. As such schemes are identified the expenditure will be allocated to the relevant area.

1.24 Information on the split between internal and external funding can be found in Appendix C.

1.25 In addition to the information contained in Appendix C, there is also considerable capital expenditure on the HRA Welsh Housing Quality Standard (WHQS), which was originally outside the scope of this analysis. A summary is provided in Table 7 below, albeit using a slightly different catchment area basis.

Table 7

WHQS Programme		
	2022/23 Actual £m	2023/24 Budget £m
Holywell	3.380	4.210
Flint	1.450	1.390
Deeside & Saltney	2.250	1.390
Buckley	1.060	1.390
Mold	3.000	3.451
Connah's Quay & Shotton	1.970	1.390
Total	13.110	13.221

1.26 The 2021 Prudential Code introduced a new requirement that monitoring of prudential indicators should be reported quarterly as part of capital monitoring. This update is provided in Appendix D.

2.00 RESOURCE IMPLICATIONS

2.01 Financial implications - As set out in the body of the report.

2.02 Personnel implications - None directly as a result of this report.

3.00 IMPACT ASSESSMENT AND RISK MANAGEMENT

3.01 The legacy impacts of the pandemic along with the supply and demand of materials, leading to cost increases, higher tender prices and project delays will continue to be monitored closely during the year. Due to the re-profiling of schemes from 2022/23 and resources available to manage and deliver schemes, the levels of planned expenditure in 2023/24 may be affected, resulting in a high level of carry forward requests to re-phase budgets into the 2024/25 programme.

Grants received will also to be closely monitored to ensure that expenditure is incurred within the terms and conditions of the grant. The capital team will work with project leads to report potential risks of achieving spend within timescales and assist in liaising with the grant provider.

The Council has a prudent policy of allocating its own capital receipts to fund capital projects only when receipts are received rather than when it is anticipated the receipt will be received, and this position continues to be the case. In line with current policy no allowance has been made for these receipts in reporting the Council's capital funding position.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	No consultation is required as a direct result of this report.

5.00	APPENDICES
5.01	Appendix A: Capital Programme - Changes during 2023/24
5.02	Appendix B: Variances
5.03	Appendix C: Investment in Towns
5.04	Appendix D: Prudential Indicators – Quarter 3 2023/24

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Capital Programme monitoring papers 2023/24.

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Chris Taylor, Strategic Finance Manager Telephone: 01352 703309 E-mail: christopher.taylor@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	<p>Budget Re-profiling: Capital schemes are very dynamic and a number of factors can influence their timing and funding. Budget re-profiling assures that the correct resources are available in the correct accounting period to finance the actual level of expenditure.</p> <p>Capital Expenditure: Expenditure on the acquisition of non-current assets or expenditure which extends the useful life of an existing asset</p> <p>Capital Programme: The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p> <p>Capital Receipts: Receipts (in excess of £10,000) realised from the disposal of assets.</p> <p>Carry Forward: Carry forward occurs when schemes due to be completed in a given financial year are delayed until a subsequent year. In this case the relevant funding is carried forward to meet the delayed, contractually committed expenditure.</p>

CERA: Capital Expenditure charged to Revenue Account. The Council is allowed to use its revenue resources to fund capital expenditure. However the opposite is not permissible.

Council Fund (CF): The fund to which all the Council's revenue and capital expenditure is charged.

Housing Revenue Account (HRA): The fund to which all the Council's revenue and capital expenditure relating to its housing stock is charged.

MRA: Major Repairs Allowance. A general capital grant from WG for HRA purposes.

Non-current Asset: A resource controlled (but not necessarily owned) by the Council, from which economic benefits or service potential are expected to flow to the Council for more than 12 months.

Section 106: Monies are received from developers/contractors pursuant to Section 106 of the Town & Country Planning Act 1990. These sums are available for use once the relevant terms of the individual agreement have been met. The monies are most commonly used for educational enhancement, play areas, highways and affordable housing.

Target Hardening: Measures taken to prevent unauthorised access to Council sites.

Unhypothecated Supported Borrowing (USB), commonly referred to as Supported Borrowing - Each year Welsh Government provide Councils with a Supported Borrowing allocation. Councils borrow to fund capital expenditure equivalent to that annual allocation, Welsh Government then include funding to cover the revenue costs associated with the borrowing for future years within the Revenue Support Grant. The Council decides how this funding is spent.

Unsupported (Prudential) Borrowing: Borrowing administered under the Prudential Code, whereby Authorities can set their own policies on acceptable levels and types of borrowing. The Prudential Framework allows Authorities to take out loans in response to overall cash flow forecasts and other factors provided they can show that the borrowing is to meet planned capital expenditure in the current year or the next three years.

Mae'r dudalen hon yn wag yn bwrpasol

CAPITAL PROGRAMME - CHANGES DURING 2023/24

	Original Budget 2023/24	Carry Forward from 2022/23	2023/24 Previously Reported		Savings (Current)	Changes (Current)	Revised Budget 2023/24
			Changes	Carry Forward to 2024/25			
	£m	£m	£m	£m	£m	£m	£m
Council Fund :							
People & Resources							
'Headroom'	0.350	0.150	(0.113)	0.000	0.000	(0.023)	0.364
	0.350	0.150	(0.113)	0.000	0.000	(0.023)	0.364
Governance							
Information Technology	0.357	0.294	0.585	(0.100)	(0.055)	0.000	1.081
Registry Office	0.000	0.000	0.000	0.000	0.000	0.023	0.023
	0.357	0.294	0.585	(0.100)	(0.055)	0.023	1.104
Education & Youth							
Education - General	0.650	6.999	1.971	(0.197)	0.000	(0.205)	9.218
Primary Schools	1.000	0.813	(0.519)	0.000	(0.120)	0.526	1.700
Schools Modernisation	1.546	0.000	2.029	0.000	0.000	(1.935)	1.640
Secondary Schools	0.000	0.560	1.321	0.000	0.000	0.146	2.027
Special Education	0.500	0.090	0.000	(0.330)	0.000	0.000	0.260
	3.696	8.462	4.802	(0.527)	(0.120)	(1.468)	14.845
Social Services							
Services to Older People	1.250	0.097	1.000	(1.337)	0.000	2.930	3.940
Learning Disability	2.430	0.000	0.031	0.000	0.000	(1.961)	0.500
Children's Services	0.000	0.074	1.179	0.000	0.000	0.000	1.253
	3.680	0.171	2.210	(1.337)	0.000	0.969	5.693
Planning, Environment & Economy							
Closed Landfill Sites	0.000	0.250	0.000	(0.250)	0.000	0.000	0.000
Engineering	0.000	0.383	0.000	(0.356)	0.000	0.000	0.027
Energy Services	0.000	0.000	0.349	0.000	0.000	(0.009)	0.340
Ranger Services	0.000	0.035	0.105	0.000	0.000	0.000	0.140
Town Centre Regeneration	0.000	0.320	1.046	0.000	0.000	0.156	1.522
Private Sector Renewal/Improv't	0.040	0.030	0.031	(0.119)	0.000	0.123	0.105
	0.040	1.018	1.531	(0.725)	0.000	0.270	2.134
Streetscene & Transportation							
Waste Services	0.000	3.805	0.217	0.000	0.000	0.003	4.025
Cemeteries	0.000	0.259	0.000	0.000	0.000	0.000	0.259
Highways	1.500	1.640	0.711	(0.500)	0.000	(0.299)	3.052
Local Transport Grant	0.000	0.006	8.764	0.000	0.000	0.000	8.770
Solar Farms	0.000	0.046	0.000	(0.046)	0.000	0.000	0.000
	1.500	5.756	9.692	(0.546)	0.000	(0.296)	16.106

	Original Budget 2023/24	Carry Forward from 2022/23	2023/24 Previously Reported		Savings (Current)	Changes (Current)	Revised Budget 2023/24
			Changes	Carry Forward to 2024/25			
	£m	£m	£m	£m	£m	£m	£m
Housing & Communities							
Affordable Housing	0.000	0.000	0.700	0.000	0.000	0.000	0.700
Disabled Facilities Grants	1.660	0.186	0.287	0.000	0.000	0.000	2.133
	1.660	0.186	0.987	0.000	0.000	0.000	2.833
Capital Programme & Assets							
Administrative Buildings	0.663	0.325	0.034	(0.052)	0.000	0.000	0.970
Community Asset Transfers	0.000	0.597	0.227	(0.541)	0.000	0.000	0.283
Leisure Centres & Libraries	0.395	0.419	0.259	(0.245)	0.000	0.000	0.828
Play Areas	0.200	0.376	0.178	(0.130)	0.000	0.048	0.672
Theatr Clwyd	20.500	0.275	0.000	(0.028)	0.000	0.000	20.747
	21.758	1.992	0.698	(0.996)	0.000	0.048	23.500
Housing Revenue Account :							
Disabled Adaptations	1.100	0.000	0.000	0.000	0.000	0.000	1.100
Energy Schemes	2.311	0.000	2.924	0.000	0.000	0.000	5.235
Major Works	1.836	0.000	(0.122)	0.000	0.000	0.000	1.714
Accelerated Programmes	1.121	0.000	(0.526)	0.000	0.000	0.000	0.595
WHQS Improvements	13.221	0.000	0.215	0.000	0.000	0.000	13.436
Modernisation / Improvements	2.200	0.000	0.000	0.000	0.000	0.000	2.200
SHARP Programme	7.668	0.000	(5.668)	0.000	0.000	0.000	2.000
	29.457	0.000	(3.177)	0.000	0.000	0.000	26.280
Totals :							
Council Fund	33.041	18.029	20.392	(4.231)	(0.175)	(0.477)	66.579
Housing Revenue Account	29.457	0.000	(3.177)	0.000	0.000	0.000	26.280
Grand Total	62.498	18.029	17.215	(4.231)	(0.175)	(0.477)	92.859

PEOPLE & RESOURCES

Capital Budget Monitoring 2023/24 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
'Headroom'	0.364	0.000	0.364	0.000	0	0.000		Corporate provision - to be allocated as requested and approved.	Any unspent allocation will be the subject of a carry forward request at outturn.
Total	0.364	0.000	0.364	0.000	0	0.000			

GOVERNANCE

Capital Budget Monitoring 2023/24 - Month 9

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	Information Technology	1.081	0.628	0.993	(0.088)	-8	(0.012)	£0.037m ICT Cyber Security and £0.051m for datacentre works to take place in 2024/25.	Carry Forward - Request approval to move funding of £0.088m to 2024/25.	Savings Identified, £0.055m for environmental monitoring systems replacement.
Registry Office	0.023	0.023	0.023	0.000	0	0.000				
Total	1.104	0.651	1.016	(0.088)	-8	(0.012)				

Variance = Budget v Projected Outturn

EDUCATION & YOUTH

Capital Budget Monitoring 2023/24 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Education - General	9.218	4.071	8.471	(0.747)	-8	0.000	Ongoing R&M and energy efficiency improvements £0.444m, Classroom Ventilation £0.066m, Upgrades of Kitchen Equipment £0.075m, Safeguarding works at various schools £0.062m and ongoing programme Fire Alarm upgrades £0.100m.	Carry Forward - Request approval to move funding of £0.747m to 2024/25.	
Primary Schools	1.700	0.997	1.700	0.000	0	0.000			£0.120m saving identified for demolition of former Penyffordd Junior CP School.
Schools Modernisation	1.640	0.271	1.640	0.000	0	0.000			
Secondary Schools	2.027	1.068	1.669	(0.358)	-18	0.000	Ongoing R&M and kitchen ventilation rolling programme works to fall into 2024/25, £0.058m. Holywell ATP and survey works to fall into 2024/25 £0.300m.	Carry Forward - Request approval to move funding of £0.358m to 2024/25.	
Special Education	0.260	0.047	0.121	(0.139)	-53	(0.330)	DDA schemes to be delivered in the 2024/25 financial year.	Carry Forward - Request approval to move funding of £0.139m to 2024/25.	
Total	14.845	6.454	13.601	(1.244)	-8	(0.330)			

Variance = Budget v Projected Outturn

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SOCIAL SERVICES

Capital Budget Monitoring 2023/24 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Services to Older People	3.940	1.178	3.940	0.000	0	0.000			
Learning Disability Services	0.500	0.017	0.500	0.000	0	0.000			
Children's Services	1.253	0.872	1.179	(0.074)	-6	0.000	Foster care adaptation scheme costs of £0.074m likely to fall into 2024/25.	Carry Forward - Request approval to move funding of £0.074m to 2024/25.	
Total	5.693	2.067	5.619	(0.074)	-1	0.000			

Variance = Budget v Projected Outturn

PLANNING, ENVIRONMENT & ECONOMY

Capital Budget Monitoring 2023/24 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Closed Landfill Sites	0.000	0.000	0.000	0.000	0	0.000			
Engineering	0.027	0.000	0.027	0.000	0	(0.098)			
Energy Services	0.340	(0.083)	0.340	0.000	0	0.000			
Ranger Services	0.140	0.084	0.140	0.000	0	0.000			
Townscape Heritage Initiatives	1.522	0.427	1.522	0.000	0	(0.119)			
Private Sector Renewal/Improvement	0.105	0.175	0.105	0.000	0	0.000			
Total	2.134	0.603	2.134	0.000	0	(0.217)			

Variance = Budget v Projected Outturn

STREETSCENE & TRANSPORTATION

Capital Budget Monitoring 2023/24 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Waste Services	4.025	0.000	4.025	0.000	0	0.000			
Cemeteries	0.259	0.000	0.000	(0.259)	-100	0.000	The Hawarden cemetery extension project to progress in 2024/25.	Carry Forward - Request approval to move funding of £0.259m to 2024/25.	
Highways	3.052	1.895	2.985	(0.067)	-2	(0.500)	Works in relation to charging infrastructure for electrical vehicles are to progress into 2024/25.	Carry Forward - Request approval to move funding of £0.067m to 2024/25.	
Local Transport Grant	8.770	4.849	8.770	0.000	0	0.000			
Solar Farms	0.000	0.000	0.000	0.000		0.000			
Total	16.106	6.744	15.780	(0.326)	-2	(0.500)			

Variance = Budget v Projected Outturn

HOUSING & COMMUNITIES

Capital Budget Monitoring 2023/24 - Month 9

Programme Area	Total Budget	Actual Exp.	Projected Outturn	Variance (Under)/ Over	Variance %age	Variance Prev Qtr	Cause of Variance	Action Required	Comments
	£m	£m	£m	£m	%	£m			
Affordable Housing	0.700	0.000	0.700	0.000	0	0.000			
Disabled Facilities Grants	2.133	1.652	2.133	0.000	0	0.000			DFG spend is customer driven and volatile.
Total	2.833	1.652	2.833	0.000	0	0.000			

Variance = Budget v Projected Outturn

CAPITAL PROGRAMME & ASSETS

Capital Budget Monitoring 2023/24 - Month 9

Programme Area	Total Budget	Actual Exp.	Projected Outturn	Variance (Under)/ Over	Variance %age	Variance Prev Qtr	Cause of Variance	Action Required	Comments
	£m	£m	£m	£m	%	£m			
Administrative Buildings	0.970	0.219	0.970	0.000	0	(0.024)			
Community Asset Transfers	0.283	0.283	0.283	0.000	0	0.000			
Leisure Centres & Libraries	0.828	0.646	0.828	0.000	0	0.000			
Play Areas	0.672	0.458	0.594	(0.078)	-12	(0.130)	Work to progress into 2024/25.	Carry Forward - Request approval to move funding of £0.078m into 2024/25.	Playarea spend is volatile and is driven by the replacement rolling programme.
Theatr Clwyd	20.747	9.581	20.747	0.000	0	0.000			
Total	23.500	11.187	23.422	(0.078)	-0	(0.154)			

Variance = Budget v Projected Outturn

HOUSING REVENUE ACCOUNT

Capital Budget Monitoring 2023/24 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
Disabled Adaptations	1.100	0.660	1.100	0.000	0	0.000			
Energy Services	5.235	3.337	5.235	0.000	0	0.000			
Major Works	1.714	1.422	1.714	0.000	0	0.000			
Accelerated Programmes	0.595	0.241	0.595	0.000	0	0.000			
WHQS Improvements	13.436	7.558	13.436	0.000	0	0.000			
Modernisation/Improvements	2.200	0.000	2.200	0.000	0	0.000			
SHARP	2.000	0.865	2.000	0.000	0	0.000			
Total	26.280	14.083	26.280	0.000	0	0.000			

Variance = Budget v Projected Outturn

SUMMARY

Capital Budget Monitoring 2023/24 - Month 9

Programme Area	Total Budget £m	Actual Exp. £m	Projected Outturn £m	Variance (Under)/ Over £m	Variance %age %	Variance Prev Qtr £m	Cause of Variance	Action Required	Comments
People & Resources	0.364	0.000	0.364	0.000	0	0.000			
Governance	1.104	0.651	1.016	(0.088)	-8	(0.012)			
Education & Youth	14.845	6.454	13.601	(1.244)	-8	(0.330)			
Social Services	5.693	2.067	5.619	(0.074)	-1	0.000			
Planning, Environment & Economy	2.134	0.603	2.134	0.000	0	(0.217)			
Streetscene & Transportation	16.106	6.744	15.780	(0.326)	-2	(0.500)			
Housing & Communities	2.833	1.652	2.833	0.000	0	0.000			
Capital Programme & Assets	23.500	11.187	23.422	(0.078)	-0	(0.154)			
Sub Total - Council Fund	66.579	29.358	64.769	(1.810)	-3	(1.213)			
Housing Revenue Account	26.280	14.083	26.280	0.000	0	0.000			
Total	92.859	43.441	91.049	(1.810)	-2	(1.213)			

Variance = Budget v Projected Outturn

INVESTMENT IN COUNTY TOWNS - 2022/23 ACTUAL SPEND

APPENDIX C

TOWN FUNDING	22/23 ACTUAL £000	BUCKLEY		CONNAH'S QUAY		FLINT		HOLYWELL		MOLD		QUEENSFERRY		SALTNEY		UNALLOCATED		TOTALS			
		Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Total £000	
EXPENDITURE																					
HOUSING - HRA																					
SHARP	4,278	32		402		255		3,456		10		33				90		4,278	0	4,278	
EDUCATION & YOUTH																					
Ysgol Glanrafon	428									332	96							332	96	428	
Ysgol Croes Atti, Flint	431					128	303											128	303	431	
Ysgol Croes Atti, Shotton	556			297	259													297	259	556	
SOCIAL SERVICES																					
Ty Nyth, Children's Residential Care	1,408									812	596							812	596	1,408	
Croes Atti Newydd Residential Care Home, Flint	913					913												913	0	913	
Relocation of Tri-Ffordd Day Service provision	239												239					239	0	239	
PLANNING, ENVIRONMENT & ECONOMY																					
Solar PV Farms	759			759														759	0	759	
STREETSCENE & TRANSPORTION																					
Improvements to Standard Yard Waste Transfer Station	249		249															0	249	249	
Highways Maintenance	2,312	331		309				545		595		286		68		179		2,313	0	2,313	
Transport Grant	2,992		133		199	15	521	11	183		75		201	70	873		711	96	2,896	2,992	
CAPITAL PROGRAMME & ASSETS																					
Theatr Clwyd - Redevelopment	3,197										3,197							0	3,197	3,197	
	17,762	363	382	1,767	458	1,311	824	4,012	183	1,749	3,964	319	201	377	873	269	711	10,167	7,596	17,763	
AREA TOTAL			745		2,225		2,135		4,195		5,713		520		1,250		980				

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INVESTMENT IN COUNTY TOWNS - 2023/24 REVISED BUDGET

APPENDIX C (Cont)

TOWN FUNDING	REVISED BUDGET £000	BUCKLEY		CONNAH'S QUAY		FLINT		HOLYWELL		MOLD		QUEENSFERRY		SALTNEY		UNALLOCATED		TOTALS			
		Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Total £000	
EXPENDITURE																					
HOUSING - HRA																					
SHARP	2,000						14		736									1,250	0	2,000	2,000
EDUCATION & YOUTH																					
Ysgol Croes Atti, Flint	1,500							1,500											0	1,500	1,500
Ysgol Penyffordd Extension	1,105	762	343																762	343	1,105
SOCIAL SERVICES																					
Croes Atti Newydd Residential Care Home, Flint	3,700							3,700											0	3,700	3,700
Relocation of Tri-Ffordd Day Service provision	500										500								0	500	500
STREETSCENE & TRANSPORTION																					
Improvements to Standard Yard Waste Transfer Station	3,622	3,405	217																3,405	217	3,622
Highways Maintenance	2,694	120		53		354		16		207		181		39			1,724	2,694	0	2,694	
Transport Grant	8,770		561		1,385		300	6	488		505		2,658		287		111	2,469	117	8,653	8,770
CAPITAL PROGRAMME & ASSETS																					
Theatr Ciwyd - Redevelopment	20,747									8,747	12,000								8,747	12,000	20,747
HOUSING & COMMUNITIES																					
Accessible Housing	700										700								700	0	700
	45,338	4,287	1,121	53	1,385	354	5,514	22	1,224	9,654	13,005	181	2,658	39	287		1,835	3,719	16,425	28,913	45,338

AREA TOTAL

5,408 1,438 5,868 1,246 22,659 2,839 326 5,554

Total 164

INVESTMENT IN COUNTY TOWNS - 2023/24- MONTH 9

APPENDIX C (Cont)

TOWN FUNDING	ACTUAL TO DATE £000	BUCKLEY		CONNAH'S QUAY		FLINT		HOLYWELL		MOLD		QUEENSFERRY		SALTNEY		UNALLOCATED		TOTALS			
		Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Total £000	
EXPENDITURE																					
HOUSING - HRA																					
SHARP	865						14		736								115		0	865	865
EDUCATION & YOUTH																					
Ysgol Croes Atti, Flint	189							189											0	189	189
Ysgol Penyffordd Extension	587	244	343																244	343	587
SOCIAL SERVICES																					
Croes Atti Newydd Residential Care Home, Flint	995							995											0	995	995
Relocation of Tri-Ffordd Day Service provision	17										17								0	17	17
STREETSCENE & TRANSPORTION																					
Highways Maintenance	1,876	120		53		354		16		207		181		39		906		1,876	0	1,876	
Transport Grant	4,849		63		1,326		167	5	49		288		2,429		306		216	5	4,844	4,849	
CAPITAL PROGRAMME & ASSETS																					
Theatr Clwyd - Redevelopment	9,581										9,581								0	9,581	9,581
	18,959	364	406	53	1,326	354	1,365	21	785	207	9,886	181	2,429	39	306	906	331	2,125	16,834	18,959	

AREA TOTAL

770

1,379

1,719

806

10,093

2,610

345

1,237

INVESTMENT IN COUNTY TOWNS - 2024- 2027 BUDGET

APPENDIX C (Cont)

TOWN FUNDING	FUTURE BUDGET £000	BUCKLEY		CONNAH'S QUAY		FLINT		HOLYWELL		MOLD		QUEENSFERRY		SALTNEY		UNALLOCATED		TOTALS			
		Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Internal £000	External £000	Total £000			
EXPENDITURE																					
EDUCATION & YOUTH																					
Joint Archive Facility, FCC and DCC	12,800									3,079	9,721								3,079	9,721	12,800
Ysgol Croes Atti, Flint	11,848					4,672	7,176												4,672	7,176	11,848
Drury County Primary	4,800	1,680	3,120																1,680	3,120	4,800
Elfed High School	4,488	1,571	2,917																1,571	2,917	4,488
Sallney/Broughton Area	16,000												5,600	10,400					5,600	10,400	16,000
SOCIAL SERVICES																					
Croes Atti Newydd Residential Care Home, Flint	14,650					6,050	8,600												6,050	8,600	14,650
Relocation of Tri-Ffordd Day Service provision	4,388									1,885	2,503								1,885	2,503	4,388
STREETSCENE & TRANSPORTION																					
Highways Asset Management Plan	4,980																4,980		4,980	0	4,980
CAPITAL PROGRAMME & ASSETS																					
Theatr Clwyd - Redevelopment	19,000										19,000								0	19,000	19,000
HOUSING & COMMUNITIES																					
Affordable Housing	22,600																22,600		22,600	0	22,600
	115,554	3,251	6,037	0	0	10,722	15,776	0	0	4,964	31,224	0	0	5,600	10,400	27,580	0	52,117	63,437	115,554	
AREA TOTAL			9,288	0	0	26,498	0	0	0	36,188	0	0	16,000	27,580							

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Prudential Indicators Q3 2023/24

The Council measures and manages its capital expenditure, borrowing and commercial and service investments with references to the following indicators.

It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

Table 1 - Capital Expenditure in £ millions: The Council has undertaken and is planning capital expenditure as summarised below. The increase in forecasted expenditure between 2022/23 to 2023/24, in the main relate to works at Theatr Clwyd and the Band B schools programme.

	2022/23 Actual	2023/24 Forecast	2024/25 Estimate *	2025/26 Estimate
Council Fund	30.016	64.769	28.626	29.737
Housing Revenue Account	24.997	26.280	29.498	24.664
Total	55.013	91.049	58.124	54.401

* £3.3m of capital expenditure in 2024/25 arises from a change in the accounting for leases and does not represent cash expenditure.

Table 2 - Capital Financing Requirement in £ millions: The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt.

	2022/23 Actual	2023/24 Forecast	2024/25 Estimate *	2025/26 Estimate
Council Fund	218.939	229.537	318.425	325.603
Housing Revenue Account	133.623	132.942	139.369	141.665
Total	352.562	362.479	457.794	467.268

* £75m of the CFR increase in 2024/25 arises from a change in the accounting for leases.

Table 3 - Gross Debt and the Capital Financing Requirement in £ millions: Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	2022/23 Actuals	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate
Debt (Incl Leases)	297.951	304.336	403.678	419.582
Capital Financing Requirement	352.562	362.479	457.794	467.268

Table 4 - Debt and the Authorised Limit and Operational Boundary in £ millions: The Council is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	2023/24 Limit	30.09.23 Actual
Operational Boundary - Total	403	320
Authorised Limit - Total	438	320

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Table 5 - Net Income from Commercial and Service Investments to Net Revenue Stream in £ millions: The Council’s income from commercial and service investments as a proportion of its net revenue stream has been and is expected to be as indicated below.

	2022/23 Actual	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate
Total net income from service and commercial investment	1.672	1.705	1.652	1.652
Proportion of net revenue stream	0.51%	0.48%	0.46%	0.46%

Table 6 - Proportion of Financing Costs to Net Revenue Stream in £ millions: Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue.

The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2022/23 Actual	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate
Council Fund	3.6%	3.9%	4.2%	4.4%
HRA	17.2%	17.4%	16.2%	16.7%

Eitem ar gyfer y Rhaglen 9

EXERCISE OF DELEGATED POWERS - DECISIONS TAKEN **REPORTED TO CABINET – 20.02.24**

Governance - Registration Service

- **Review of Non-Statutory Registration Fees**

The Council manages the Registration Service which has several statutory functions including the registration of births, deaths, civil marriages, and civil partnerships. The service is based at Llwynegryn Hall, Mold and has custody of archived records from which copy certificates are issued. The service also licences venues for civil ceremonies across the County and conducts a variety of non-statutory celebratory services.

The fees relating to statutory services are prescribed by statute and cannot exceed the cost of providing the service. However, the Council has scope to set fees for non-statutory services.

The nature of the Registration Service means some services such as marriage are booked up to 24 months in advance and consequently non-statutory fees need to be set in advance to allow couples to plan. The fees were last updated on 1st April 2022 using the Council's Fees and Charges Cost Recovery Template, and they were set for three years. The report:

- Refreshed the published fees for 2024-25 and 2025-26 for reasons outlined in the report
- Set the fees for 2026-27 to ensure the Registration Service continues to publish three year fees.

Copies of the Delegated Powers reports are retained by the Team Leader – Committee Services and available to view on request by Members.

**FLINTSHIRE COUNTY COUNCIL FORWARD WORK PROGRAMME ITEMS
COUNCIL, CABINET, AUDIT AND GOVERNANCE & SCRUTINY
1 February 2024 TO 31 July 2024**

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
February					
Education, Youth & Culture Overview & Scrutiny Committee Tudalen 1	1/02/24	Governance	Forward Work Programme and Action Tracking (EY& C) To consider the Forward Work Programme of the Education Youth	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Education, Youth & Culture Overview & Scrutiny Committee	1/02/24	Education and Youth	Council Plan 2023-24 Mid-Year Performance Reporting (EYC OSC) To review the levels of progress in the achievement of activities and performance levels identified in the Council Plan.	Operational	Cabinet Member for Education, Welsh Language, Culture and Leisure
Education, Youth & Culture Overview & Scrutiny Committee	1/02/24	Education and Youth	Feedback from Youth Justice Service Peer review To Provide Members with an overview of the outcomes from the recent peer review.	Operational	Cabinet Member for Education, Welsh Language, Culture and Leisure

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COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Education, Youth & Culture Overview & Scrutiny Committee	1/02/24	Education and Youth	Revision of Post 16 Strategy To outline how the new national commission was developing.	Operational	Cabinet Member for Education, Welsh Language, Culture and Leisure
Education, Youth & Culture Overview & Scrutiny Committee Tudalen 172	1/02/24	Education and Youth	Council Fund Budget 2024/25 To review and comment on the cost pressures, proposed cost reductions, and associated risks.	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement, Cabinet Member for Education, Welsh Language, Culture and Leisure
Education, Youth & Culture Overview & Scrutiny Committee	1/02/24	Education and Youth	GCSE and A-Level Results To provide the Committee with the GCSE and A-Level results across Flintshire from the summer 2023.	Operational	Cabinet Member for Education, Welsh Language, Culture and Leisure

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Environment & Economy Overview & Scrutiny Committee	6/02/24	Governance	Forward Work Programme and Action Tracking (Env) To consider the Forward Work Programme of the Environment	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Environment & Economy Overview & Scrutiny Committee	6/02/24	Streetscene and Transportation	Workplace Recycling Regulations To receive the latest update on the Workplace Recycling Regulations	Operational	Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy
Environment & Economy Overview & Scrutiny Committee	6/02/24	Streetscene and Transportation	Workplace Recycling Regulations To provide an overview of the workplace recycling reforms being implemented by Welsh Government.	Operational	Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Environment & Economy Overview & Scrutiny Committee Tudalen 174	6/02/24	Finance	Council Fund Budget 2024/25 To review and comment on the cost pressures, proposed cost reductions, and associated risks.	Operational	Cabinet Member for Planning, Public Health and Public Protection, Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy, Cabinet Member for Climate Change and Economy, Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Community & Housing Overview & Scrutiny Committee	7/02/24	Housing and Communities	<p>Forward Work Programme and Action Tracking (CH & E) To consider the Forward Work Programme of the Community & Housing Overview & Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.</p>	Operational	Cabinet Member for Housing and Regeneration
Community & Housing Overview & Scrutiny Committee	7/02/24	Housing and Communities	<p>Void Management To provide a detailed update to the Committee on Void properties and the work undertaken to bring the properties back into use.</p>	Operational	Cabinet Member for Housing and Regeneration
Community & Housing Overview & Scrutiny Committee	7/02/24	Housing and Communities	<p>Council Fund Budget 2024/25 To review and comment on the cost pressures, proposed cost reductions, and associated risks.</p>	Operational	Cabinet Member for Housing and Regeneration, Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement

Finance
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COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Community & Housing Overview & Scrutiny Committee	7/02/24	Housing and Communities	Common Housing Register (Single Access Route to Housing - SARTH) To provide an annual update on the Common Housing Register.	Operational	Cabinet Member for Housing and Regeneration
Community & Housing Overview Scrutiny Committee	7/02/24	Housing and Communities	North East Wales (NEW) Homes Business Plan To consider the NEW Homes Business Plan.	Operational	Cabinet Member for Housing and Regeneration
Corporate Resources Overview & Scrutiny Committee	8/02/24	Governance	Action Tracking To inform the Committee of progress against actions from previous meetings.	Operational	
Corporate Resources Overview & Scrutiny Committee	8/02/24	Governance	Forward Work Programme To consider the Forward Work Programme of the Corporate Resources Overview & Scrutiny Committee.	Operational	

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COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Corporate Resources Overview & Scrutiny Committee	8/02/24	Finance	Council Fund Budget 2024/25 To review and comment on the cost pressures, proposed cost reductions, and associated risks.	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Corporate Resources Overview & Scrutiny Committee	8/02/24	Finance	Revenue Budget Monitoring 2023/24 (Month 9) and Capital Programme Monitoring 2023/24 (Month 9) To provide the Revenue Budget Monitoring 2023/24 (Month 9) report and the Capital Programme 2023/24 (Month 9) report.	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Social & Health Care Overview & Scrutiny Committee	9/02/24	Finance	Council Fund Budget 2024/25 To review and comment on the cost pressures, proposed cost reductions, and associated risks.	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement, Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing
Social & Health Care Overview & Scrutiny Committee	9/02/24	Social Services	Statutory and Non-Statutory Services - Social Services To provide a list of services within Social Services indicating which were statutory and which were non-statutory.	Operational	Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing
Social & Health Care Overview & Scrutiny Committee	9/02/24	Social Services	Corporate Parenting Charter - A Promise for Wales To seek agreement that Flintshire County Council adopts the Corporate Parenting Charter: 'A Promise for Wales'.	Operational	Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing

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COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	20/02/24	Chief Executive's	Council Fund Budget 2024/25 – Final Closing Stage To update on the final budget proposals for 2024/25 for recommendation to County Council.	Strategic	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Cabinet	20/02/24	Chief Executive's	Treasury Management Strategy 2024/25 To present the draft Treasury Management Strategy 2024/25 for recommendation to Council.	Strategic	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Cabinet	20/02/24	Housing and Communities	North East Wales (NEW) Homes Business Plan 2023/2052 To consider the NEW Homes Business Plan.	Strategic	Cabinet Member for Housing and Regeneration

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	20/02/24	Chief Executive's	Minimum Revenue Provision - 2024/25 Policy Local Authorities are required each year to set aside some of their revenue resources as provision for the repayment of debt. The report presents the Council's draft policy on Minimum Revenue Provision	Strategic	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Cabinet	20/02/24	Planning, Environment and Economy	Communities for Work To seek support for the proposals for Communities for Work	Operational	Cabinet Member for Climate Change and Economy
Cabinet	20/02/24	Social Services	Service Resilience Proposals To seek support of the proposals so that service resilience can be sustained.	Operational	Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing
Cabinet	20/02/24	Chief Executive's	Capital Programme Monitoring 2023/24 (Month 9) To present the Month 9 Capital Programme information for 2023/24.	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	20/02/24	Chief Executive's	<p>Revenue Budget Monitoring 2023/24 (Month 9) This regular monthly report provides the latest revenue budget monitoring position for 2023/24 for the Council Fund and Housing Revenue Account. The position is based on actual income and expenditure as at Month 9, and projects forward to year-end.</p>	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
T J 181 Flintshire County Council	20/02/24	Chief Executive's	<p>Council Fund Budget 2024/25 - Final Closing Stage To set a legal and balanced budget for 2024/25 on the recommendation of Cabinet.</p>		
Flintshire County Council	20/02/24	Governance	<p>Council Tax Setting for 2024/25 To set the Council Tax charges for 2024-25 as part of the Council's wider budget strategy.</p>		

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Flintshire County Council	20/02/24	Chief Executive's	Treasury Management Strategy 2024/25 To present to Members the draft Treasury Management Strategy 2024/25.		
Flintshire County Council Tudalalen 182	20/02/24	Chief Executive's	Minimum Revenue Provision - 2024/25 Policy Local Authorities are required each year to set aside some of their revenue resources as provision for the repayment of debt. The report presents the Council's draft policy on Minimum Revenue Provision.		
Flintshire County Council	20/02/24	People and Resources	Pay Policy Statement for 2024/25 All local authorities are required to publish their Pay Policy Statement by April annually. The Pay Policy Statement presented within this report is the twelfth annual Statement published by Flintshire County Council.		

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Flintshire County Council	20/02/24	Social Services	Corporate Parenting Charter – A Promise for Wales To seek agreement that Flintshire County Council adopts the Corporate Parenting Charter: ‘A Promise for Wales’.		
Social & Health Care Overview & Scrutiny Committee	29/02/24	Governance	Forward Work Programme and Action Tracking (S & H) To consider the Forward Work Programme of the Social	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
<div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-right: 5px;">Tudalen 183</div> <div>March</div> </div>					
Environment & Economy Overview & Scrutiny Committee	5/03/24	Governance	Forward Work Programme and Action Tracking (Env) To consider the Forward Work Programme of the Environment	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Environment & Economy Overview & Scrutiny Committee	5/03/24	Planning, Environment and Economy	Audit Wales Assurance & Risk Assessment Report – Carbon reduction plan To acknowledge the outcome of the Audit Wales report and support action being taken to address its recommendation.	Strategic	Cabinet Member for Climate Change and Economy
Environment & Economy Overview & Scrutiny Committee 184	5/03/24	Streetscene and Transportation	Outcome of Adoption of Local Toilet Strategy To update members on the outcome.	Operational	Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy
Environment & Economy Overview & Scrutiny Committee	5/03/24	Planning, Environment and Economy	Destination Management Plan To seek approval for the draft Destination Management Plan.	Operational	Cabinet Member for Climate Change and Economy

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Community & Housing Overview & Scrutiny Committee	6/03/24	Housing and Communities	<p>Forward Work Programme and Action Tracking (CH & E)</p> <p>To consider the Forward Work Programme of the Community & Housing Overview & Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.</p>	Operational	Cabinet Member for Housing and Regeneration
Community & Housing Overview & Scrutiny Committee TUD 185	6/03/24	Housing and Communities	<p>Audit Wales report: Homelessness services – Flintshire County Council</p> <p>To share with the Committee the findings of the Audit Wales review into Homeless Prevention at Flintshire Council and seek approval to provide formal Organisational Response to Audit Wales.</p>	Operational	Cabinet Member for Housing and Regeneration
Community & Housing Overview & Scrutiny Committee	6/03/24	Housing and Communities	<p>Void Management</p> <p>To provide an update to the Committee on the number of Void properties and the work being undertaken to bring the properties back into use.</p>	Operational	Cabinet Member for Housing and Regeneration

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Community & Housing Overview & Scrutiny Committee	6/03/24	Housing and Communities	Homelessness and Rough Sleeper Update Report and Homelessness Policy To provide an annual update on the work ongoing to mitigate Homelessness and support provided to rough sleepers, together with the Homelessness Policy.	Operational	Cabinet Member for Housing and Regeneration
Community & Housing Overview & Scrutiny Committee Tuesday 986	6/03/24	Housing and Communities	Dynamic Resource Scheduling System (DRS) Update To provide an overview and update on the newly procured Dynamic Resource Scheduler (DRS), the changes that have been made to the service during the testing stages of the pilot along with new measures that have been implemented to improve overall customer satisfaction with regards to the service provided.	Operational	Cabinet Member for Housing and Regeneration
Corporate Resources Overview & Scrutiny Committee	7/03/24	Governance	Action Tracking To inform the Committee of progress against actions from previous meetings.	Operational	

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Corporate Resources Overview & Scrutiny Committee	7/03/24	Chief Executive's	Arrangements with NEWydd Catering & Cleaning Limited To present and seek endorsement of a proposal in relation to future arrangements between the Council and NEWydd Catering & Cleaning Limited.	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Corporate Resources Overview & Scrutiny Committee	7/03/24	Chief Executive's	NEWydd Business Plan 2024/25 To present the NEWydd Catering & Cleaning Ltd Business Plan 2024/25 for endorsement	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Corporate Resources Overview & Scrutiny Committee	7/03/24	Chief Executive's	Cambrian Aquatics To provide an update on financial forecasts for Cambrian Aquatics and decide on action.	Strategic	Cabinet Member for Education, Welsh Language, Culture and Leisure

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Corporate Resources Overview & Scrutiny Committee	7/03/24	Governance	Information Rights Compliance Report To provide information around monitoring performance against the requirements of the UK General Data Protection Regulation and Freedom of Information Act.	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Corporate Resources Overview & Scrutiny Committee	7/03/24	Governance	Public Services Ombudsman for Wales Annual Letter 2022-23 and complaints made against Flintshire County Council during the first half of 2023-24 To share the Public Services Ombudsman for Wales (PSOW) Annual Letter 2022-23 for Flintshire County Council and an overview of the complaints received against Council services in the first half of 2023-24.	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Corporate Resources Overview & Scrutiny Committee	7/03/24	Governance	Forward Work Programme To consider the Forward Work Programme of the Corporate Resources O & S Committee	Operational	

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COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Corporate Resources Overview & Scrutiny Committee	7/03/24	Social Services	Social Value Update To present an update report on social value.	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Corporate Resources Overview & Scrutiny Committee	7/03/24	Finance	Revenue Budget Monitoring 2023/24 (Month 10) To provide Members with the Revenue Budget Monitoring 2023/24 (Month 10) Report and Significant Variances.	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Cabinet	12/03/24	Planning, Environment and Economy	Destination Management Plan To seek approval for the draft Destination Management Plan.	Operational	Cabinet Member for Climate Change and Economy

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	12/03/24	Streetscene and Transportation	Waste and Recycling Collections on Unadopted Roads To provide proposals for a new policy for waste and recycling collections for properties on private or unadopted roads.	Strategic	Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy
Tudalen 190 Cabinet	12/03/24	Streetscene and Transportation	Update on Bus Emergency Scheme To provide an update following the announcement of the termination of the Bus Emergency Scheme Funding and the introduction of the Bus Transition Funding	Strategic	Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy
Cabinet	12/03/24	Streetscene and Transportation	Resource and Waste Strategy To review the Council's waste strategy with the objective of achieving Welsh Government's statutory recycling target of 70%.	Strategic	Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	12/03/24	Streetscene and Transportation	Outcome of Adoption of Local Toilet Strategy To provide an update following the conclusion of the public consultation and present the final draft of the strategy for adoption.	Strategic	Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy
Cabinet	12/03/24	Chief Executive's	Cambrian Aquatics To provide an update on financial forecasts for Cambrian Aquatics and decide on action.	Strategic	Cabinet Member for Education, Welsh Language, Culture and Leisure
Cabinet	12/03/24	Streetscene and Transportation	Workplace Recycling Regulations To provide an overview of the workplace recycling reforms being implemented by Welsh Government.	Operational	Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy
Cabinet	12/03/24	Chief Executive's	NEWydd Business Plan 2024/25 To present the NEWydd Catering & Cleaning Ltd Business Plan 2024/25 for endorsement.	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	12/03/24	Social Services	Contextual Safeguarding To advise on Flintshire's approach to safeguarding children and young people through Contextual Safeguarding.	Operational	Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing
Cabinet Tudalen 192	12/03/24	Chief Executive's	Strategic Equality Plan Annual Report 2022/23 To present the 2022/23 annual report for the Strategic Equality Plan.	Strategic	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Cabinet	12/03/24	Chief Executive's	Arrangements with NEWydd Catering & Cleaning Limited To present and seek endorsement of a proposal in relation to future arrangements between the Council and NEWydd Catering & Cleaning Limited.	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	12/03/24	Chief Executive's	<p>Strategic Equality Plan 2024-28 To present the Strategic Equality Plan 2024/28 for approval prior to publication</p>	Strategic	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Cabinet Tudalen 193	12/03/24	Chief Executive's	<p>Annual Performance Report The Annual Performance Report sets out an analysis of how well the Council has performed against our Well-being Objectives, Priorities and Sub-priorities at the end of the financial year 2023/24 of our Council Plan (2023-28). The Annual Performance Report also provides a summary of performance regarding other key areas of focus within the Council, i.e. Public Services Boards.</p>	Strategic	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Tudalen Cabinet	12/03/24	Chief Executive's	Revenue Budget Monitoring 2023/24 (Month 10) This regular monthly report provides the latest revenue budget monitoring position for 2023/24 for the Council Fund and Housing Revenue Account. The position is based on actual income and expenditure as at Month 10, and projects forward to year-end.	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Tudalen Cabinet	12/03/24	Planning, Environment and Economy	Audit Wales Assurance & Risk Assessment Report – Carbon reduction plan To acknowledge the outcome of the Audit Wales report and support action being taken to address its recommendation.	Strategic	Cabinet Member for Climate Change and Economy
Education, Youth & Culture Overview & Scrutiny Committee	21/03/24	Governance	Forward Work Programme and Action Tracking (EY& C) To consider the Forward Work Programme of the Education Youth	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Education, Youth & Culture Overview & Scrutiny Committee	21/03/24	Chief Executive's	Emergency Planning To provide information around emergency planning and response, local EMRT arrangements, and the response to possible bus service withdrawal.	Operational	Cabinet Member for Education, Welsh Language, Culture and Leisure, Leader of the Council
Education, Youth & Culture Overview & Scrutiny Committee Tudalen 195	21/03/24	Education and Youth	Tackling the Impact of Inequality on Education Outcomes To provide an update on how the Education & Youth Portfolio support schools to tackle the impact of inequality. To also provide an update on the 'Ask Ceri' resource and what impact this was having following its re-launch.	Operational	Cabinet Member for Education, Welsh Language, Culture and Leisure
Education, Youth & Culture Overview & Scrutiny Committee	21/03/24	Education and Youth	Anti-Racist Wales Action Plan To update on how the Council is meeting the requirements of the Welsh Government Anti-racist Wales Action Plan in line with the development of the new Curriculum for Wales.	Operational	Cabinet Member for Education, Welsh Language, Culture and Leisure
April					

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Governance and Audit Committee	10/04/24	Governance	<p>Audit Wales Assurance and Risk Assessment Review Report 2021-22 To summarise the findings to Governance and Audit Committee of the detailed assurance and risk assessment work undertaken.</p>	All Report Types	
Governance and Audit Committee	10/04/24	Governance	<p>External Regulation Assurance 2023-24 To endorse the summary of all external regulatory reports received during 2023/24 along with the Council's responses.</p>	All Report Types	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Governance and Audit Committee	10/04/24	Governance	<p>Governance & Audit Committee Self-Assessment To present the results of the Audit Committee self-assessment which will feed into the preparation of the Annual Governance Statement. It will also form the basis for the provision of any further training required by the Committee.</p>	All Report Types	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources

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COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Governance and Audit Committee	10/04/24	Governance	Public Sector Internal Audit Standards To inform the Committee of the results of the annual internal assessment of conformance with the Public Sector Internal Audit Standards (PSIAS).	All Report Types	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Governance and Audit Committee	10/04/24	Governance	Internal Audit Strategic Plan 2024-27 To present the proposed Internal Audit Plan for the three year period 2024/25 to 2026/27 for Members' consideration.	All Report Types	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Governance and Audit Committee	10/04/24	Governance	Governance and Audit Committee Action Tracking To inform the Committee of the actions resulting from points raised at previous Governance and Audit Committee meetings.	All Report Types	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources

Tudalen 197

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Governance and Audit Committee	10/04/24	Finance	Internal Audit Progress Report To present to the Committee an update on the progress of the Internal Audit Department.	All Report Types	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Governance and Audit Committee Tudalen 198	10/04/24	Governance	Forward Work Programme To consider the Forward Work Programme of the Internal Audit Department.	All Report Types	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Governance and Audit Committee	10/04/24	Finance	Quarter 4 Treasury Management Update 2023/24 To provide an update on matters relating to the Council's Treasury Management Policy, Strategy and Practices to the end of February 2024.	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Governance and Audit Committee	10/04/24	Finance	Statement of Accounts 2022/23 To present the final audited version of the Statement of Accounts 2022/23 for approval.	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Flintshire County Council Tudalen 199	16/04/24	Governance	Recruitment of a Town and Community Council Representative to the Standards Committee To appoint the favoured candidate to the Standards Committee		
Flintshire County Council Tudalen 199	16/04/24	Governance	Rolling Review of the Employees Code of Conduct As part of the rolling review of the Constitution, we need to consider whether the Employees Code of Conduct needs any amendments to keep it up to date.		
May					

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Education, Youth & Culture Overview & Scrutiny Committee	30/05/24	Governance	Forward Work Programme and Action Tracking (EY& C) To consider the Forward Work Programme of the Education Youth	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
June					
Social & Health Care Overview & Scrutiny Committee	6/06/24	Governance	Forward Work Programme and Action Tracking (S & H) To consider the Forward Work Programme of the Social	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Environment & Economy Overview & Scrutiny Committee	11/06/24	Governance	Forward Work Programme and Action Tracking (Env) To consider the Forward Work Programme of the Environment	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources

Tudalen 1200

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Environment & Economy Overview & Scrutiny Committee	11/06/24	Governance	Forward Work Programme and Action Tracking (Env) To consider the Forward Work Programme of the Environment	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Community & Housing Overview & Scrutiny Committee	12/06/24	Governance	Forward Work Programme and Action Tracking (CH & E) To consider the Forward Work Programme of the Community	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Corporate Resources Overview & Scrutiny Committee	13/06/24	Governance	Forward Work Programme (CROSC) To consider the Forward Work Programme of the Corporate Resources O & S Committee	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Corporate Resources Overview & Scrutiny Committee	13/06/24	Governance	Action Tracking (CROSC) To inform the Committee of progress against actions from previous meetings	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Corporate Resources Overview & Scrutiny Committee Tuesday 2024	13/06/24	People and Resources	Employment and Workforce End of Year Update To present end of year workforce statistics and their analysis.	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Cabinet	18/06/24	Social Services	Age-friendly Flintshire To provide an update on the progress being made to develop age-friendly communities in Flintshire.	Operational	Cllr Christine Jones

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Governance and Audit Committee	26/06/24	Governance	<p>Audit Wales - Audit Plan 2024 To review the Audit Wales - Audit Plan 2024 for the Council which sets out the proposed audit work for the year along with timescales, costs and the audit teams responsible for carrying out the work.</p>	All Report Types	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
<p>Governance and Audit Committee</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Pudalen 203</p>	26/06/24	Governance	<p>Annual Governance Statement 2023/24 To endorse the Annual Governance Statement for 2023/24.</p>	All Report Types	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Governance and Audit Committee	26/06/24	Governance	<p>Governance and Audit Committee Action Tracking To inform the Committee of the actions resulting from points raised at previous Governance and Audit Committee meetings.</p>	All Report Types	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Governance and Audit Committee	26/06/24	Governance	Internal Audit Progress Report To present to the Committee an update on the progress of the Internal Audit Department.	All Report Types	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Governance and Audit Committee TUDALEN 2024	26/06/24	Governance	Forward Work Programme To consider the Forward Work Programme of the Internal Audit Department.	All Report Types	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
July					

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Environment & Economy Overview & Scrutiny Committee Tudalen 205	9/07/24	Chief Executive's	Council Plan 2023/28: End of Year Performance Monitoring report for 2023/24 (E&E OSC) To review progress against the priorities identified within the Council Plan 2023/28	Operational	Cabinet Member for Climate Change and Economy, Cabinet Member for Planning, Public Health and Public Protection, Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy
Environment & Economy Overview & Scrutiny Committee	9/07/24	Governance	Forward Work Programme and Action Tracking (Env) To consider the Forward Work Programme of the Environment	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Community & Housing Overview & Scrutiny Committee	10/07/24	Chief Executive's	Council Plan 2023/28: End of Year Performance Monitoring Report for 2023/24 (C&H OSC) To review progress against the priorities identified within the Council Plan 2023/28	Operational	Cabinet Member for Housing and Regeneration
Community & Housing Overview & Scrutiny Committee 11/07/24 206	10/07/24	Governance	Forward Work Programme and Action Tracking (CH & E) To consider the Forward Work Programme of the Community	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Corporate Resources Overview & Scrutiny Committee	11/07/24	Chief Executive's	Council Plan 2023/28: End of Year Performance Monitoring Report for 2023/24 (CROSC) To review progress against the priorities identified within the Council Plan 2023/28	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources, Leader of the Council

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Corporate Resources Overview & Scrutiny Committee	11/07/24	Governance	Forward Work Programme (CROSC) To consider the Forward Work Programme of the Corporate Resources O & S Committee	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Corporate Resources Overview & Scrutiny Committee	11/07/24	Governance	Action Tracking (CROSC) To inform the Committee of progress against actions from previous meetings	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Education, Youth & Culture Overview & Scrutiny Committee	11/07/24	Chief Executive's	Council Plan 2023/28: End of Year Performance Monitoring Report for 2023/24 (EY&C OSC) To review progress against the priorities identified within the Council Plan 2023/28	Operational	Cabinet Member for Education, Welsh Language, Culture and Leisure

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Education, Youth & Culture Overview & Scrutiny Committee	11/07/24	Governance	Forward Work Programme and Action Tracking (EY& C) To consider the Forward Work Programme of the Education Youth	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Social & Health Care Overview & Scrutiny Committee	18/07/24	Chief Executive's	Council Plan 2023/28: End of Year Performance Monitoring Report for 2023/24 (S&HC OSC) To review progress against the priorities identified within the Council Plan 2023/28	Operational	Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing
Social & Health Care Overview & Scrutiny Committee	18/07/24	Governance	Forward Work Programme and Action Tracking (S & H) To consider the Forward Work Programme of the Social	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources

Tuesday 20th August 2024

Eitem ar gyfer y Rhaglen 10

Yn rhinwedd paragraff(au) 14 of Part 4 of Schedule 12A
o Ddeddf Llywodraeth Leol 1972.

Dogfen Gyfyngedig - Ni ddylid ei chyhoeddi

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 11

Yn rhinwedd paragraff(au) 15 of Part 4 of Schedule 12A
o Ddeddf Llywodraeth Leol 1972.

Dogfen Gyfyngedig - Ni ddylid ei chyhoeddi

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 12

Yn rhinwedd paragraff(au) 14 of Part 4 of Schedule 12A
o Ddeddf Llywodraeth Leol 1972.

Dogfen Gyfyngedig - Ni ddylid ei chyhoeddi

Mae'r dudalen hon yn wag yn bwrpasol

Yn rhinwedd paragraff(au) 14 of Part 4 of Schedule 12A
o Ddeddf Llywodraeth Leol 1972.

Dogfen Gyfyngedig - Ni ddylid ei chyhoeddi

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