

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
7 JULY 2022

Minutes of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held as a hybrid meeting on Thursday, 7 July 2022

PRESENT: Councillor Richard Jones (Chairman)

Councillors: Bill Crease, Ron Davies, Alasdair Ibbotson, Allan Marshall, Vicky Perfect, Kevin Rush, Jason Shallcross, Sam Swash and Linda Thomas

APOLOGY: Councillor Arnold Woolley

CONTRIBUTORS: Councillor Paul Johnson - Cabinet Member for Finance, Inclusion & Resilient Communities, Billy Mullin - Deputy Leader (Governance) and Cabinet Member for Corporate Management and Assets, Chief Executive, Chief Officer (Governance) and Strategic Finance Managers

Councillor Ian Roberts - Leader and Cabinet Member for Education, Welsh Language, Culture and Leisure (for minute numbers 6-10)

IN ATTENDANCE: Democratic Services Manager and team

6. DECLARATIONS OF INTEREST

None.

7. MINUTES

The minutes of the meeting held on 9 June 2022 were approved, as moved and seconded by Councillors Vicky Perfect and Kevin Rush.

RESOLVED:

That the minutes be approved as a correct record.

8. FORWARD WORK PROGRAMME

The Overview & Scrutiny Facilitator presented the current forward work programme which had been updated to include Members' requests. She confirmed that an item on the development of the Council Plan for 2023-28 would be considered in September and that a Member briefing session on performance reporting would be arranged.

As requested by the Chairman, items on the business and financial planning cycle and risk management would be scheduled. The Chief Executive agreed that the delivery plan currently in development would be shared with Members prior to September.

The Chairman also suggested an item to explore the financial benefits of outsourcing or sharing some Council services, and requested an update on the current level of outstanding debt on joint-funded care packages with the local Health Board. Both items would be scheduled for future meetings.

On that basis, the recommendations were moved and seconded by Councillors Vicky Perfect and Bill Crease.

RESOLVED:

- (a) That the Forward Work Programme, as amended, be noted; and
- (b) That the Democratic Services Manager, in consultation with the Chair of the Committee, be authorised to vary the Forward Work Programme between meetings, as the need arises.

9. TERMS OF REFERENCE

The Overview & Scrutiny Facilitator presented a report on proposed amendments to the Committee's terms of reference to align with changes to portfolio service areas. The proposals were to include the Capital Programme and Assets, together with NEWydd Catering & Cleaning, within the Committee's remit, noting that this would provide Members with oversight of the complete Community Asset Programme.

The recommendation was moved and seconded by Councillors Ron Davies and Jason Shallcross.

RESOLVED:

That the Committee supports the proposed amendments to its terms of reference as set out in Appendix 2 to the report.

10. BUDGET 2023/24 MEDIUM TERM FINANCIAL STRATEGY

The Chief Executive and Strategic Finance Manager (Strategy and Insurance) presented a report on the first stage of the Medium Term Financial Strategy and the budget requirement for 2023/24. The report set out the revised forecast prior to cost pressures and efficiency proposals being reviewed by Overview & Scrutiny committees and Member workshops during the Autumn.

The updated forecast indicated a minimum budget requirement of an additional £16.503m of revenue resources for 2023/24, which excluded the impact of the outcome of the pay modelling exercise to be undertaken in 2022/23. Whilst indicative funding figures for 2023/24 and 2024/25 had been provided as part of the 2022/23 Local Government Settlement, these were at a considerably lower level than the previous two years and would increase the amount to be met from other sources. There were significant challenges in the economic outlook, with inflation estimates on energy and fuel highlighted as a key risk likely to increase

the forecast. Other cost pressures related to changing service demands mainly within Education & Youth and Social Services.

A further risk remained around the outcome of national pay awards for 2022/23 where any increases above the budgeted 3.5% uplift would mean utilising reserves in year, and would also add an additional pressure to the forecast for 2023/24.

The cost pressures were categorised in section 1.04 of the report and Members were advised that figures were likely to change over the Summer as further information was received and reviews continued.

The Chief Executive said that the report summarised work undertaken to date on presenting the first forecast for the budget requirement for 2023/24. He said that the volatility of the current economic situation created more challenges in financial planning and that officers were continuing to work through the detail to refine the forecast.

Councillor Paul Johnson spoke about significant risks on the impact of inflationary and energy increases on which the Council had no control. In highlighting the need to consider the impact of decisions on future years, he reiterated core principles in decision-making ensuring that the Council continued to meet its statutory duties and upheld quality standards.

As one of the main risks, Councillor Ian Roberts referred to the potential unfunded impacts of nationally agreed pay awards for teachers and non-teachers in 2023/24. He spoke about challenges in Social Services including out of county placements where the Council was working to re-establish itself as a provider of direct care and exploring regional options.

In raising a number of questions, Councillor Alasdair Ibbotson pointed out that not all the pressures included a range of variances. The Strategic Finance Manager explained that as work was continuing, an update on all the variances would be shared at the September workshop. In answer to the question regarding a new post in Streetscene Enforcement shown on the appendix to the Cabinet report, it was confirmed that this was due to a new post approved as part of the budget in 2022/23 part of which was time limited.

In response to Councillor Ibbotson's query about the lack of medium-term forecasted financial pressures on carbon reduction, the Chief Executive explained that this would be reflected in the development of the Capital Programme on which work was underway, as well as the Asset Management Plan which was due to be considered in September.

On the summary of pressures, the Chairman considered the national resolution pressures, national funding requirements and strategic decisions to be key risks as they were generally outside the control of the Council. He suggested reiterating to Welsh Government (WG) that councils should not be expected to increase Council Tax to address pressures involving national decisions.

When asked about predictions for low/medium/high variances to the forecast, the Chief Executive said there was no certainty at this stage due to volatility and that even a small percentage increase could greatly affect the budget position. The Strategic Finance Manager agreed and gave assurance that more detail on all cost pressures would be provided to Overview & Scrutiny committees. As requested by the Chairman, she would provide a summary of movements of the forecast since the report to County Council in February.

The Chairman asked about service reform changes referenced in the report and was advised that the outcome of a review across portfolios would be shared at the Member workshop in September.

The recommendation was moved and seconded by Councillors Richard Jones and Jason Shallcross.

RESOLVED:

That having considered the Medium Term Financial Strategy and Budget 2023/24 report, the Committee confirms that there are no specific matters to be reported back to Cabinet when it considers the report on 12 July.

11. REVENUE BUDGET MONITORING 2021/22 (OUTTURN) AND CAPITAL PROGRAMME MONITORING 2021/22 (OUTTURN)

The Strategic Finance Managers (Corporate Finance) presented reports on the 2021/22 final outturn for the revenue budget monitoring for the Council Fund and Housing Revenue Account (HRA) and the Capital Programme, prior to consideration by Cabinet.

Revenue Budget Monitoring

On the Council Fund, the projected year-end position was an operating surplus of £5.711m reflecting a favourable movement of £1.107m from month 10 and leaving a year-end contingency reserve balance of £7.098m. The variances from month 10 were shown in the report including details of significant movements. The report highlighted the significant impact of the Welsh Government (WG) Hardship Fund and income loss funding streams on the overall outturn position in addition to one-off WG grants into eligible service areas. An overview of in-year risks included positive movement on the collection of Council Tax and the impact of WG additional funding for Social Care and Health. An improved position was also reported on planned in-year efficiencies achieved in 2021/22 and emergency reserves set aside following an increase in the local government settlement for 2021/22. Additional information in the report clarified the changing position on operating surplus and contingency reserves over the past five years.

On the HRA, a projected overspend of £1.404m would leave a closing un-earmarked balance of £3.616m, which was well above the recommended guidelines on spend.

As requested by the Chairman, officers agreed to provide a summary of the position at Month 10 for comparison purposes.

Capital Programme

The revised programme for 2021/22 was £71.442m taking into account all carry forward sums and savings transferred back to the programme. Changes during the last quarter were mainly due to the introduction of grant funding streams and budget re-profiling. Actual expenditure for the year totalled £67.907m which was 95.05% of the budget, leaving a £3.535m underspend recommended to be carried forward for the completion of schemes in 2022/23. Additional allocations identified in the final quarter would be funded from the additional General Capital Grant awarded by WG in February 2022. Total savings of £0.370m were identified and the final outturn position had resulted in a revised opening funding position surplus of £2.068m, prior to the realisation of additional capital receipts and/or other funding sources.

The first recommendation was moved and seconded by Councillors Vicky Perfect and Bill Crease. The second recommendation was moved and seconded by Councillors Ron Davies and Linda Thomas.

RESOLVED:

- (a) That having considered the Revenue Budget Monitoring 2021/22 (final outturn) report, the Committee confirms that there are no specific matters to be raised with Cabinet; and
- (b) That having considered the Capital Programme Monitoring 2021/22 (final outturn) report, the Committee confirms that there are no specific matters to be raised with Cabinet.

12. REVENUE BUDGET MONITORING 2022/23 (INTERIM)

The Strategic Finance Manager (Corporate Finance) presented a report on the interim in-year budget monitoring position for 2022/23 for the Council Fund and Housing Revenue Account (HRA). This was an exception report on potential significant variances which may impact on the financial position in 2022/23 and progress in achieving planned efficiencies against targets set for the year.

Based on high level assumptions set out in the report, the potential variations to budget identified by portfolios at this stage equated to a minimum net additional expenditure requirement of around £0.300m. As reported in the previous item, the remaining £2.066m from the Covid-19 emergency ring-fenced fund, topped up with £3.250m provided for in the 2022/23 approved budget, had raised the total to £5.316m. Covid-related claims from across portfolios were being reviewed to determine eligibility for those reserves, given the cessation of the Welsh Government (WG) Hardship Fund. Work was continuing to review progress on emerging risks and unachieved efficiencies which could impact on the 2023/24 budget. An overview of the in-year position included a number of cost pressures in Children's Services and Streetscene & Transportation with the

increase in fuel prices emerging as a corporate pressure. A number of open risks had been identified at this stage and would be subject to continued monitoring.

Councillor Alasdair Ibbotson asked about the potential for WG to extend Covid funding arrangements and whether the additional £3.250m top-up to the Council's emergency reserves would still be required. The Strategic Finance Manager advised that aside from the additional funding on the Covid-19 Statutory Sick Pay enhancement scheme, there was no indication from WG that previous Covid-related funding would continue and that work was ongoing to collate and review internal claims. When asked about the Council's topped up emergency reserves, there was uncertainty at this early stage as to what level would be required.

In response to a question on financial arrangements for Parc Adfer, the Chief Officer (Governance) provided a brief overview of the model associated with the contract and asked that specific details be requested separately. The Chairman asked that Councillor Ibbotson direct the question through the Facilitator with the response to be shared with the full Committee.

In thanking officers for the report, Councillor Paul Johnson paid tribute to the robust budget monitoring process adopted by the Council.

His comments were endorsed by the Chairman who sought clarification on the £0.275m variance on Resources and Regulated Services. The Strategic Finance Manager agreed to circulate a more detailed response.

The recommendation was moved and seconded by Councillors Richard Jones and Bill Crease.

RESOLVED:

That having considered the Revenue Budget Monitoring 2022/23 (Interim) report, the Committee confirms that there are no specific issues which it wishes to raise with Cabinet.

13. RESULTS OF THE CONSULTATION ON THE DIGITAL STRATEGY

The Chief Officer (Governance) presented a report on the outcome of consultation on the Digital Strategy 2021-26 where the majority of the respondents had indicated support for the strategic aims and ambitions of the Council. The proposed response to the consultation was also appended for consideration.

An overview was given of the four main areas of focus from the 179 responses as detailed in the report and reflected in the revised Strategy. Additional wording would also provide clarity on responsibilities in respect of digital services at schools. The development of an action plan, including project costs, would assist with financial planning.

In response to a question from Councillor Bill Crease, the Chief Officer said that whilst most of the Council's website was accessible on a mobile device, work was ongoing to convert PDF documents into a more appropriate format.

In response to a query, Councillor Sam Swash was advised that the consultation had been publicised internally as well as externally, as the vast majority of the workforce were Flintshire residents.

Following comments by Councillor Allan Marshall, the Chief Officer would ask Niall Waller to provide Councillor Allan Marshall with relevant contact details in relation to increasing community broadband speeds. The Chairman also requested that relevant contact details within the North Wales Economic Ambition Board also be shared.

On questions from the Chairman, it was confirmed that consultation had taken place prior to implementing the new planning software and that project costs would form part of the resource plan for the entire Digital Strategy to link with the Medium Term Financial Strategy.

The recommendations were moved and seconded by Councillors Vicky Perfect and Allan Marshall.

RESOLVED:

- (a) That the consultation results are welcomed, and that the Committee believes that the appropriate response is being taken to the issues raised as part of the consultation; and
- (b) That the refreshed Digital Strategy for 2021-2026 is approved with the additional amendments suggested in this report.

14. END OF YEAR PERFORMANCE MONITORING

The Chief Executive presented the monitoring report to review year-end progress against Council Plan priorities identified for 2021/22. Overall this was a positive report given the challenges from the emergency situation, with 73% of performance indicators (PIs) relevant to the Committee having met or exceeded their targets (green) and none showing under-performance against target (red).

In referring to red PIs outside the remit of this Committee, Councillor Alasdair Ibbotson queried progress with social housing completion. On private rented sector actions, he suggested that delays in recruiting to the team to support private sector tenants should have a red status and that options to involve the third sector or tenant representative bodies could be explored. Under Environment, he observed that the amount of red PIs compared to green appeared to be misleading as there was evidence of good progress.

The Chairman suggested that the 11 red PIs under the remit of other Overview & Scrutiny committees be referred appropriately.

In responding to the points raised by Councillor Ibbotson, the Chief Executive confirmed that the Community, Housing and Assets Overview & Scrutiny Committee had recently considered the housing PIs and he agreed to provide a separate update on the current position with recruitment to the private sector team.

The Chairman suggested a review of targets on some measures to ensure they were both challenging and achievable, for example the average days to process change in circumstances for housing benefit and Council Tax reduction (Income Poverty) and usage statistics of online resources for children and young people (Child Poverty). He queried the outcome on the number registered on the Digital Champions Scheme (digital Poverty) and the presentation of chart data on performance measures for Affordable and Accessible Housing. On Town Centre Regeneration actions, he said it was important that the design of a town formed part of 'improving the environment in town centres'.

The recommendations were moved and seconded by Councillors Ron Davies and Jason Shallcross.

RESOLVED:

- (a) That the Committee supports levels of progress and confidence in the achievement of priorities within 2021/22 Council Plan;
- (b) That the Committee supports overall performance against 2021/22 Council Plan performance indicators; and
- (c) That the Committee is assured by explanations given for those areas of underperformance.

15. MEMBERS OF THE PRESS IN ATTENDANCE

None.

(The meeting started at 10am and ended at 12.15pm)

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Chairman