

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
13 JULY 2023

Minutes of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held as a hybrid meeting on Thursday, 13 July 2023

PRESENT: Councillor Richard Jones (Chairman)

Councillors: Bill Crease, Chris Dolphin, Alasdair Ibbotson, Gina Maddison, Allan Marshall, Vicky Perfect, Kevin Rush, Jason Shallcross and Sam Swash

SUBSTITUTES: Councillor: Rob Davies (for Bernie Attridge) and Dan Rose (for Linda Thomas)

CONTRIBUTORS: Councillor Ian Roberts (Leader of the Council), Councillor Dave Hughes (Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy), Councillor Paul Johnson (Cabinet Member for Finance, Inclusion & Resilient Communities), Councillor Billy Mullin (Cabinet Member for Governance and Corporate Services), Chief Executive, Chief Officer (Governance), Chief Officer (Planning, Environment & Economy), Corporate Finance Manager, Corporate Manager (Capital Programme & Assets), Revenues and Procurement Manager, Strategic Finance Managers and Senior Minerals & Waste Planning Officer

For minute number 13

Senior Manager (Safeguarding and Commissioning)

IN ATTENDANCE: Democratic Services Manager and team

9. DECLARATIONS OF INTEREST

None.

10. MINUTES

The minutes of the meeting held on 18 May 2023 were approved, as moved and seconded by Councillors Bill Crease and Jason Shallcross.

RESOLVED:

That the minutes be approved as a correct record.

11. ACTION TRACKING

The Democratic Services Manager presented an update on actions arising from previous meetings and agreed to include the all-Member workshop on the work of the Coroner's Office on the Forward Work Programme.

The recommendation was moved by Councillor Sam Swash and seconded by Councillor Jason Shallcross.

RESOLVED:

That the Committee notes the progress which has been made.

12. FORWARD WORK PROGRAMME

In presenting the current Forward Work Programme, the Democratic Services Manager advised that a training session on chairing and questioning skills would be arranged for Overview & Scrutiny Members in September.

An item requested by Councillor Sam Swash on the acquisition of land for Flintshire cemeteries would be passed to the Environment & Economy Overview & Scrutiny Committee to schedule for a future meeting.

The recommendations were moved and seconded by Councillors Bill Crease and Allan Marshall.

RESOLVED:

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

13. JOINT FUNDED CARE PACKAGES - UPDATE REPORT

The Senior Manager (Safeguarding and Commissioning) presented an update on current long-term debt with Betsi Cadwaladr University Health Board (BCUHB) in respect of the delivery of NHS Continuing Health Care packages in Flintshire.

Since the last report in February, the number of outstanding invoices had reduced from 36 to 23, none of which were under one year in age, demonstrating that current invoices were now being processed in a timely manner following the introduction of strengthened arrangements. The resolution of long-term invoices continued to be addressed through regular meetings and the independent arbitration process had recovered a further £0.098m of long-standing debt. Since first discussed at this Committee in October 2022, there had been a 63.3% reduction in outstanding invoices which equated to £0.813m. At the start of July, long-term invoices totalling £0.273m (relating to five individuals) were being progressed through arbitration.

The Chairman queried the figures arising from the £0.327m reported in February as going through arbitration. In addition, he suggested some reasoning on why the operating debt level appeared to have increased from that reported in February.

Councillor Bill Crease said that a standardised approach in presenting the data would assist the Committee in scrutinising and reconciling the figures.

The Chairman recognised that the outstanding amount was reducing which demonstrated that processes were working. He suggested that the Senior Manager liaise with him to review the figures so that an update could be scheduled for September.

The recommendation was moved and seconded by Councillors Bill Crease and Jason Shallcross.

RESOLVED:

That the Committee notes the continued proactive budget management of outstanding invoices raised by the Council for payment by Betsi Cadwaladr University Health Board.

14. REVENUE BUDGET MONITORING 2022/23 (OUTTURN) AND CAPITAL PROGRAMME MONITORING 2022/23 (OUTTURN)

The Strategic Finance Managers presented reports on the 2022/23 final outturn 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, a favourable movement of £0.907m from month 11 had resulted in the final outturn surplus position of £3.013m. However, it was noted that various one-off items of expenditure totalling £5.876m had been approved for funding from the Contingency Reserve and that taking those amounts from the in-year revenue budget would have resulted in an overall net overspend of £2.863m for 2022/23. The contingency reserve balance as at 31 March 2023 was £9.508m after taking into account previously approved allocations. Payments totalling £5.419m had been claimed from the Welsh Government (WG) Hardship Fund, however there was no confirmation that the funding would continue for 2023/24.

Variances between month 11 and the final outturn were shown in the report including details of significant movements across portfolios. An overview of in-year risks included additional amounts in the 2023/24 budget to reflect continuing high demand for Out of County Placements, Homelessness and School Transport services whilst positive movement on the collection of Council Tax was welcomed. It was also reported that all of the planned efficiencies had been achieved during the year and that a balance of £3.743m of Covid-19 Emergency Reserves would be carried forward. An overview of earmarked reserves was received together with analysis of the outturn position and contingency reserve level over the past five years.

On the HRA, the final outturn showed expenditure of £2.688m higher than budget which left a closing un-earmarked balance of £3.786m, which was well above the recommended guidelines.

In response to questions from Councillor Alasdair Ibbotson, explanation was given on increased income from property under Social Services and earmarked reserves carried forward to meet remaining commitments on the Local Development Plan.

On Streetscene & Transportation, Councillor Sam Swash asked about the likelihood of the waste recycling infraction charge being levied on the Council. The officer responded that this was still under consideration by WG and that he would pursue an update from the portfolio.

Clarification was also given to Councillor Allan Marshall on the presentation of data in the table of earmarked reserves which showed levels at year-end moving into the next financial year.

Councillor Paul Johnson paid tribute to the work undertaken to reach an operating surplus position at year-end.

The Chairman thanked the Revenues & Procurement Manager and his team for the positive outturn on the collection of Council Tax. As requested, the Strategic Finance Manager provided explanation on late minor movements between approved budgets and said that from month 4, information would be included within the report on all movements to approved budgets. The Chairman also highlighted the Committee's involvement on the reduction of outstanding debt for continuing health care joint packages and the cashflow benefit to the overall financial position.

Capital Programme

The revised programme for 2022/23 was £58.830m taking into account all changes including carry forward sums and savings transferred back to the programme. Changes during the last quarter were mainly due to the allocation of additional WG grant funding and budget re-profiling. Actual expenditure for the year totalled £55.013m which was 93.51% of the budget, leaving a £3.817m underspend recommended to be carried forward for the completion of schemes in 2023/24. Additional allocations identified in the final quarter were summarised in paragraph 1.16. Total savings of £0.013m were identified and the final outturn position had resulted in a revised opening funding position surplus of £1.302m, prior to the realisation of additional capital receipts and/or other funding sources.

The recommendations were moved and seconded by Councillors Allan Marshall and Jason Shallcross.

RESOLVED:

- (a) That having considered the Revenue Budget Monitoring 2022/23 (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 2022/23 (final outturn) report, the Committee confirms that there are no specific matters to be raised with Cabinet.

15. REVENUE BUDGET MONITORING 2023/24 (INTERIM)

The Strategic Finance Manager presented a report on the interim in-year budget monitoring position for 2023/24 for the Council Fund and Housing Revenue Account (HRA). This was an exception report on potential significant variances which could impact on the financial position in 2023/24. Financial risks only had been highlighted at this stage with a detailed monitoring report scheduled for September.

As previously reported, the final level of Council Fund contingency reserve carried into 2023/24 was £9.508m (subject to audit) along with £3.743m of remaining Covid-19 emergency reserves. Based on high level assumptions, the report detailed a range of potential variations to budget identified by portfolios at this early stage. On un-earmarked reserves, the report highlighted the impact of the current estimated pay award shortfall upon the contingency reserve, along with the recommended contribution to the Theatr Clwyd Trust's opening reserve position as set out in paragraph 1.13. On the HRA, a risk to the projected outturn on rental income from void HRA properties would be closely monitored.

On questions from Councillor Jason Shallcross, the Strategic Finance Manager said there was uncertainty on whether WG would continue to fund teachers' pay awards beyond 2022/23 and 2023/24. On fleet contract renewal, he agreed to seek a response from the service on carbon reduction initiatives.

Councillor Bill Crease asked about the terms of the contribution to Theatr Clwyd to which the Chief Executive clarified that this was one-off provision set out within the clause of the cultural services agreement.

The Chairman noted the range of pressures across all portfolios and asked about arrangements to monitor and mitigate the risk from void properties. The Chief Executive gave assurance that regular progress updates were being reported to the Community & Housing Overview & Scrutiny Committee.

The recommendation, as amended, was moved and seconded by the Chairman and Councillor Bill Crease.

RESOLVED:

That having considered the Revenue Budget Monitoring 2023/24 (Interim) report, the Committee notes the recommended contribution to the Theatr Clwyd Trust.

16. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET 2024/25

The Chief Executive and Corporate Finance Manager presented a report on the first stage of the Medium Term Financial Strategy and the additional budget requirement for 2024/25. The report set out the revised forecast prior to cost pressures and efficiency proposals being reviewed at Overview & Scrutiny meetings. A budget workshop had also been scheduled for 31 July which would provide Members with the opportunity to gain a better understanding of the financial position and contribute to a developing budget strategy.

At this stage, the revised forecast indicated an additional budget requirement of £32.222m of revenue resources for 2024/25, taking into account the latest national position on public sector pay, the estimated impact of known changes to service demand and the ongoing impacts of inflation. The majority of the cost pressures related to nationally agreed pay awards along with inflationary and service demand pressures in social care.

Whilst the indicative allocation of a 3.1% increase for 2024/25 (provided as part of the 2023/24 Local Government Settlement) was welcomed, it was at a considerably lower level than previous years, reflecting an estimated uplift of around £7.8m. If this remained unchanged, there would be significant challenges to the budget for 2024/25 to meet service demands and inflationary impacts, most of which were outside the control of the Council. A detailed budget strategy needed to be developed in parallel to contributing to national discussions on the financial outlook across Wales. The timeline within the report detailed the process for consultation and update reports on the forecast and solutions.

The recommendation was moved by Councillor Allan Marshall and seconded by Councillor Jason Shallcross.

RESOLVED:

That having considered the Medium Term Financial Strategy and Budget 2024/25 report, the Committee confirms that there are no specific matters to be reported back to Cabinet when it considers the report.

17. COUNCIL TAX COLLECTIONS, DISCRETIONARY (s13a) DISCOUNTS/WRITE OFFS

The Revenues & Procurement Manager presented the report on the current policy criteria and circumstances (with statistical analysis) where the Council already applied discretionary discounts or wrote off Council Tax amounts, following a request by Councillor Alasdair Ibbotson. The Corporate Debt Recovery Policy framework adopted in 2019 included proportionate measures to support those in need and was underpinned by effective income management processes which were critical to the delivery of overall Council objectives due to the impact of uncollected Council Tax on the wider budget and future Council Tax rises. As a point of accuracy on the analysis of write-offs, it was clarified that debts remitted by the Magistrates Court during committal legal action in 2022/23

totalled £26,543 with £35,668 being the total for individual voluntary arrangements.

In addition to statutory legislation, Section 13A discretionary powers offered flexibility for councils to introduce local discount schemes in exceptional cases. Other than the Local Authority Foster Carers Council Tax Discount scheme, the policy in Flintshire was to exercise its S13A powers where other Council Tax exemptions/discounts had been exhausted and only in cases of natural disasters and civil emergencies.

Councillor Alasdair Ibbotson raised concerns that whilst residents were signposted to appropriate support, the wording in the current policy on discretionary discounts was too broad and did not include clear guidance. He suggested that this Committee and Cabinet consider the publication of clear policy guidance to assist residents and give an indication of the levels of discount that could be expected from the delegated decision-maker, to show transparency.

In addition, he said there may be a small number of insolvency cases with the Council as the sole creditor and that those individuals were potentially amongst the most vulnerable residents and were likely to apply for a Debt Relief Order (DRO) which was subject to an administration fee. As an alternative approach, he suggested that agreement could be reached with those individuals to pay a portion of the cost of that fee to the Council with the balance of the debt written off via a S13A request. This would result in the Council recovering an additional small amount and would reduce costs for partner organisations in progressing the DRO, therefore reducing the financial burden on the taxpayer.

On that basis, he proposed that Cabinet review and produce a comprehensive policy on s13A taking on board the comments raised here and to consult on that policy with Overview & Scrutiny.

The Revenues & Procurement Manager supported the proposal for greater clarity on the policy criteria for discretionary discounts. In response to the second suggestion, he said that recent analysis of a sample of DRO applications for Council Tax had identified none where the Council was the sole creditor. He went on to respond to questions on Flintshire's support for care leavers which had since become a statutory discount scheme in Wales and the Council's responsibilities as the billing authority collecting precepts on behalf of others.

The Chief Officer (Governance) supported the proposal for officers to develop a clearer policy. On the second suggestion, he referred to the data on DROs and the benefit to those individuals but pointed out the need for a cautious approach linked with the statutory DRO scheme.

Councillor Paul Johnson also spoke in favour of the policy guidance as did Councillor Sam Swash.

Following a question from Councillor Allan Marshall, the Revenues & Procurement Manager advised that although there was legal provision for a prompt payment discount, he was not aware of any council offering that incentive.

In response to the comments raised, he cited examples of criteria where discretionary discounts could be applied.

The proposal for a clearer policy was welcomed by the Chairman who sought views on the next stage. Due to the time required to develop detailed guidance, it was agreed that the proposal put forward by Councillor Ibbotson would enable Cabinet to review the matter first, prior to a detailed report back to this Committee at a future date.

On that basis, the recommendations were moved and seconded by Councillors Ibbotson and Swash.

RESOLVED:

- (a) That the Committee notes and supports the work undertaken to maximise collections of Council Tax, maximise the take-up of discounts and reductions, and help those who struggle to pay;
- (b) That the Committee notes and supports the circumstances where, in line with Cabinet policies, s13a discretionary discounts are already awarded and the limited circumstances and funds to waive or reduce Council Tax;
- (c) That the Committee endorses the exceptional circumstances where write offs are undertaken and which result in losses of income to fund public services; and
- (d) That Cabinet review and produce a comprehensive policy on s13a discretionary discounts, taking into account the comments raised and to consult with Overview & Scrutiny, scheduling a report back to this Committee at a future date.

18. DELIVERING PUBLIC SERVICES IN THE 21ST CENTURY: SHARED SERVICES

The Corporate Manager (Capital Programme & Assets) introduced a report on shared services following the discussion in April which explored the benefits and limitations of outsourcing and/or creating shared services as a means to deliver Council services. The report provided a brief overview of shared services along with local examples including a case study on joint Procurement Services with Denbighshire County Council.

A presentation was given by the Chief Officer (Planning, Environment & Economy) and Senior Minerals & Waste Planning Officer on the Minerals and Waste Shared Planning Service in North Wales. In addition to detailing the experiences of establishing the shared service, the presentation highlighted the benefits, challenges and learning. Having recently been shared with the Royal Town Planning Institute and Minerals Planning Association for the UK, it had been recognised as best practice for services with limited resources.

In welcoming the presentation, the Chairman reminded the Committee of the background to the request for this item, in particular to look at the sharing of back-office services such as legal, ICT etc which worked well in the private sector. He spoke about the benefits and challenges in considering sharing resources.

His views were echoed by Councillor Bill Crease who referred to the potential to develop standard ICT applications across the organisation to achieve short-term savings. Whilst acknowledging the challenges in agreeing a unified approach with other authorities, he gave examples of where savings could be made through joint procurement.

The Chief Officer (Governance) responded to the comments and spoke about the key objective for shared arrangements to deliver improved services with financial benefits. He went on to say that the majority of service costs related to staff and therefore reducing headcount was one of the main cost savings in creating shared services.

Councillor Paul Johnson referred to the complexities and suggested looking at other examples across the UK.

Councillor Crease called for a consistent approach across portfolios to identify opportunities on which the Committee could have regular oversight.

The Chairman spoke about the role of the Committee and asked if Members wished to receive information on joint ventures including examples of authorities working together across the region.

The Chief Executive referred to the Council's lean operating model and its current and forecasted financial position, highlighting the time and resources needed to understand the implications and risks. He said that opportunities would continue to be explored and suggested that he liaise with officers to arrange for presentations on various themes for services/contracts to be shared with the Committee, accompanied by the relevant officers.

The Chairman agreed and asked that officers engage with him on this. He moved the recommendations and was seconded by Councillor Crease.

RESOLVED:

- (a) That the Committee notes the contents of the report and the local examples of shared services provided, including those in the accompanying appendix and presentation; and
- (b) That officers liaise with the Chairman in order to schedule presentations on various themes at future meetings.

19. MEMBERS OF THE PRESS IN ATTENDANCE

None.

(The meeting started at 10am and ended at 1.15pm)

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Chairman