

# Pecyn Dogfen Gyhoeddus

**Gareth Owens LL.B Barrister/Bargyfreithiwr**  
Chief Officer (Governance)  
Prif Swyddog (Llywodraethu)



Swyddog Cyswllt:  
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At: Cyng Ian Roberts (Arweinydd)

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

17 Chwefror 2023

Annwyl Gyngorydd,

**RHYBUDD O GYFARFOD RHITHIOL**  
**CABINET**  
**DYDD IAU, 23AIN CHWFROR, 2023 10.00 AM**

Yn gywir

Steven Goodrum  
Rheolwr Gwasanaethau Democrataidd

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 dderbyn ddatganiad o gysylltiada chynghori's Aelodau yn unol a hynny.

### 3 COFNODION (Tudalennau 5 - 14)

**Pwrpas:** Cadarnhau cofnodion y cyfarfodydd ar 17 Ionawr 2023.

YSTRID YR ADRODDIADAU CANLYNOL

### ADRODDIADAU STRATEGOL

### 4 CYLLIDEB REFENIW CRONFA'R CYNGOR 2023/24 - CAM CAU TERFYNOL (Tudalennau 15 - 48)

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

**Pwrpas:** Rhoi diweddariad ar y cynigion cyllideb terfynol ar gyfer 2023/24 i'w hargymell i'r Cyngor Sir.

### 5 ISAFSWM DARPARIAETH REFENIW - POLISI 2023/24 (Tudalennau 49 - 58)

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.

### 6 STRATEGAETH RHEOLI'R TRYSORLYS 2023/24 (Tudalennau 59 - 140)

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

**Pwrpas:** Cyflwyno i'r Aelodau Strategaeth Rheoli'r Trysorlys Drafft 2023/24 i'w argymell i'r Cyngor.

**7 ADRODDIAD AR GYNNYDD Y RHAGLEN NEWID YN YR HINSAWDD**

(Tudalennau 141 - 174)

Adroddiad Prif Swyddog (Cynllunio, Amgylchedd ac Economi) - Cydgyfrifoldeb

**Pwrpas:** Darparu diweddariad ar gynnydd o fewn y rhaglen newid yn yr hinsawdd.

**ADRODDIAD GWEITHREDOL**

**8 MONITRO CYLLIDEB REFENIW 2022/23 (MIS 9)** (Tudalennau 175 - 202)

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 2022/23 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.

**9 MONITRO RHAGLEN GYFALAF 2022/23 (MIS 9)** (Tudalennau 203 - 230)

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 2022/23.

**10 ADRODDIAD BLYNYDDOL Y GWASANAETH CAFFAEL AR Y CYD 2021/2022** (Tudalennau 231 - 242)

Adroddiad Prif Swyddog (Llywodraethu) - Aelod Cabinet Cyllid, Cynhwysiant, Cymunedau Cryf gan gynnwys Gwerth Cymdeithasol a Chaffael

**Pwrpas:** Adroddiad ar gynnydd perfformiad y Gwasanaeth Caffael ar y Cyd gyda Chyngor Sir Ddinbych.

**11 CYNLLUN RHEOLI PARC GWEPPRA A CHODI TÂL** (Tudalennau 243 - 304)

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

**Pwrpas:** Cyflwyno a chytuno ar gynllun rheoli Parc Gwepra newydd, ac ystyried codi tâl am barcio ceir.

12 **POLISI COFEBION/EITEMAU COFFA YNG NGHEFN GWLAD** (Tudalennau 305 - 312)

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

**Pwrpas:** Cytuno ar bolisi newydd i fynd i'r afael â cheisiadau am gofebion ac eitemau coffa o fewn manau gwyrdd a chefn gwlad.

13 **CYMUNEDAU SY'N GYFEILLGAR I OED** (Tudalennau 313 - 320)

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

**Pwrpas:** Ceisio cefnogaeth y Cabinet ar gyfer cyflwyno cais am aelodaeth o Rwydwaith Byd-eang Dinasoedd a Chymunedau sy'n Gyfeillgar i Oed Sefydliad Iechyd y Byd.

14 **ADRODD YN ÔL O BENDERFYNIAD GALW I MEWN RHIF 4056 - ADOLYGIAD STRATEGAETH GWASTRAFF** (Tudalennau 321 - 366)

Adroddiad Prif Swyddog (Llywodraethu) - Dirprwy Arweinydd y Cyngor a'r Aelod Cabinet Gwasanaethau Stryd a'r strategaeth cludiant rhanbarthol

**Pwrpas:** Adrodd yn ôl o'r penderfyniad galw i mewn.

15 **YMARFER PWERAU DIRPRWEDIG** (Tudalennau 367 - 368)

**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**

***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 17<sup>TH</sup> JANUARY 2023

Minutes of the meeting of the Cabinet of Flintshire County Council held virtually via Zoom on Tuesday 17<sup>th</sup> January 2023.

### **PRESENT: Councillor Ian Roberts (Chair)**

Councillors: Sean Bibby, Chris Bithell, Dave Healey, Dave Hughes, Paul Johnson, Christine Jones and Billy Mullin.

### **IN ATTENDANCE:**

Chief Executive, Chief Officer (Governance), Chief Officer (Planning, Environment and Economy), Chief Officer (Streetscene and Transportation), Chief Officer (Education and Youth), Chief Officer (Housing and Assets), Corporate Finance Manager, Corporate Manager – Capital Programme and Assets, Corporate Manager, People and Organisational Development, Senior Manager, Children and Workforce and Team Leader – Democratic Services.

## **104. DECLARATIONS OF INTEREST**

Councillor Healey declared a personal and prejudicial interest in agenda item number 5 – Adoption of the Flintshire Local Development Plan (LDP).

## **105. MINUTES**

The minutes of the meeting held on 20<sup>th</sup> December 2022 were submitted and confirmed as a correct.

### **RESOLVED:**

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

## **106. BUDGET 2023/24 AND THE 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;
- feedback from the series of specific Overview and Scrutiny Committee meetings, which was appended to the report;
- an update on the changes and risks to the additional budget requirement for the 2023/24 financial year; and
- an update on the work being undertaken on the range of budget solutions available to the Council to set a legal and balanced budget.

Following a report to Cabinet in November where the additional budget gap requirement was estimated to be £32.448m, the Welsh Local Government Provisional Settlement was received on 14<sup>th</sup> December. Due to consequentials arising from the recent UK budget announcements, the Settlement was improved and

would contribute £19.568m towards the previously reported requirement of £32.448 with the remaining amount needing to be met from the other areas of the budget solutions included in the report.

A number of ongoing risks had been reported previously which would potentially impact further on the additional budget requirement including the level of provision for pay awards, uncertainty around the continuation of funding within the homelessness service and levels of demand for Out of County Placements. The report provided an update on those risks.

The options available to the Council to meet the significant budget requirement was summarised in the report. Consideration was needed for the solutions on:

- Portfolio Cost Reductions
- Corporate Financing Reductions
- Schools Cost Reductions
- Council Tax Uplift

A report had been submitted to each Overview and Scrutiny Committee in December where no new areas of efficiencies were identified.

The report was then presented to Corporate Resources Overview and Scrutiny Committee on 12<sup>th</sup> January 2023, which was open to all Members of the Council, and details of the questions asked were provided.

A legal and balanced budget for 2023/24 was scheduled to be recommended by Cabinet to Council on 23<sup>rd</sup> February 2023.

The Chief Executive stressed the challenging backdrop in relation to the budget setting process, which would also be challenging in 2024/25 due to the risks facing the authority.

The Corporate Finance Manager confirmed that work was now focussed on the risks as outlined by Councillor Johnson. A report recommending the budget would be submitted to Cabinet on 23<sup>rd</sup> February prior to it being considered by County Council that afternoon.

### **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 in February be noted.

## **107. ADOPTION OF THE FLINTSHIRE LOCAL DEVELOPMENT PLAN (LDP)**

Having previously declared a personal and prejudicial interest, Councillor Healey was moved into the virtual lobby.

Councillor Bithell introduced the report and explained that all local planning authorities in Wales were required to produce, and keep under review, a Local Development Plan (LDP). The report set out the culmination of work to prepare and adopt an LDP for Flintshire.

The Flintshire LDP would be the primary strategy and policy document against which the Council would make decisions on development proposals going forward. It was a sound and sustainable Plan that included a requirement to consider the 'Placemarking' agenda and presented a positive approach to managing the future growth that Flintshire was going to experience.

The policies and proposals within the LDP addressed the County's need for new homes, jobs, infrastructure, and community facilities to support economic growth and raise standards of living. In planning for growth, he appreciated that it inevitably involved making some difficult decisions, particularly on releasing land for development in certain areas. Councillors and planners in the past had been brave and bold to make those difficult decisions.

The key stages of the LDP preparation were outlined in the report. The examination of the LDP commenced on 11<sup>th</sup> November 2020 and Hearing Sessions took place over an eight month period concluding on 23<sup>rd</sup> November 2021. During the examination the Council had to consider and respond to a significant new issue that arose with the introduction by National Resource Wales (NRW) on stricter new targets for the levels of phosphates permitted to enter SAC protected rivers, and in the case of the LDP the Bala Lake and River Dee Special Area of Conservation. Inspectors were provided with sufficient evidence to allow them to conclude the Examination of the LDP.

At Cabinet on 31<sup>st</sup> May 2022 Members approved for public consultation the 'Matters Arising Changes' (MACs) to the Deposit LDP. The consultation concluded on 29<sup>th</sup> July 2022 with approximately 122 representations being duly made. All comments were forwarded to the Inspectors for their consideration. In accordance with statutory obligations the comments were not considered by the Council.

The Inspectors had now submitted their final Report which was appended to the Cabinet report and the Examination had closed. The Report found the LDP to be sound and subject to the binding nature of it, the plan would need to be adopted by County Council.

Councillor Bithell thanked his colleagues on Planning Strategy Group (PSG) for all of their hard work on the LDP.

The Chief Officer (Planning, Environment and Economy) thanked all officers involved, particularly for the way in which things had been required to have been carried out in a different way. The report would be submitted to County Council the following week and if approved, a new suite of policies would be created that Members would need training on. The Council, if approved, would then have the opportunity to have an input into the Strategic Development Plan.

Councillor Roberts thanks officers and Members for the tremendous amount of work undertaken.

**RESOLVED:**

- (a) That the Flintshire Local Development Plan (Final version at appendix 2 – as amended by the binding changes set out in the Inspectors Report) be adopted as the new development plan for the Flintshire administrative area;
- (b) That the Adoption Statement (appendix 3), Final Sustainability Appraisal including Equalities Impact Assessment (appendix 4) and Habitat Regulations Assessment (appendix 5) be approved; and
- (c) That the Chief Officer (Planning, Environment and Economy) be authorised to make outstanding typographical, grammatical, presentational, or factual amendments to the Flintshire Local Development Plan and supporting documents prior to its final publication.

**108. HOUSING REVENUE ACCOUNT (HRA) 30 YEAR FINANCIAL BUSINESS PLAN**

Councillor Bibby introduced the report which presented the draft Housing Revenue Account (HRA) 30-year Financial Business Plan and the proposed HRA Budget for 2023/24.

Full details were provided on borrowing, rents, garage rents, service charges, the capital programme and capital funding, and reserves.

On reserves, they should not be used to fund recurring pressures in the Budget as that would make the Business Plan unsustainable. The Council was looking to utilise £0.589m of existing reserves towards one off pressures identified in the 2023/24 Business Plan, which was considered affordable and left a sufficient level of reserves to balance future risks.

It was recommended that levels were reviewed in year and a proportion of any surplus reserves were released to support the improvement in void rates across the County.

The HRA was a ring-fenced budget. The HRA budget and Business Plan demonstrated that the Council could achieve the ongoing Welsh Housing Quality Standard (WHQS), could meet service improvement plans and commitments and with prudential borrowing could continue its Council house building programme.

**RESOLVED:**

- (a) That the HRA 30-year Financial Business Plan and budget for 2023/24 as set out in the report and appendices be approved; and
- (b) That it be agreed that consideration should be given, in year, to utilise available reserves to bring into use void properties across Flintshire.



## 109. WASTE STRATEGY REVIEW

Councillor Hughes introduced the report and explained that over the last five years the Waste Strategy had been reviewed three times with the most recent review being the 'Target 70' in July 2021. Those reviews had allowed the Council to implement major service changes, which had contributed to improving the way waste and recycling services were delivered.

In its current Waste Strategy 'Beyond Recycling', Welsh Government (WG) set statutory targets for local authorities in Wales to reuse, recycle or compost a minimum of 64% of waste by 2022-23, and 70% of waste by 2024-25.

However, recycling performance levels in Flintshire had progressively decreased year on year with the COVID-19 pandemic and associated restrictions having a significant impact. The purpose of this review was to focus on achieving the statutory recycling targets and avoiding financial penalties if they failed to be achieved.

Following two all-Member workshops in November 2022, the report outlined how it was proposed to minimise waste and maximise recycling in order to improve recycling performance and achieve the statutory recycling targets.

Following a recent compositional analysis, initial results had shown that up to 50% of what was placed in the residual waste bins by residents in Flintshire was recyclable material. Furthermore, 27% of the residual waste contents was found to be food waste. With a separate weekly kerbside collection service available for food waste and weekly collection for recycling, the current situation was not sustainable and remained a significant risk to the local authority.

The general themes of feedback from the Member workshops was outlined in the report. A key measure introduced by a number of other local authorities across Wales was to limit how much waste households could throw away. By restricting the capacity of the residual waste bin, people were encouraged to make more use of the recycling kerbside collection service. Reducing residual waste could be achieved by reducing the capacity of the residual waste bin or changing the frequency of waste collections.

A comparison of a number of waste collection models across Wales had taken place and it was clear that restricting residual waste improved recycling levels which in turn had a significant impact on recycling performance. Reducing residual waste capacity to 60 litres had seen the following average improvements:

- Overall reduction in household residual waste (including Household Recycling Centres) of 30%
- Increase in kerbside dry recycling of 17%
- Increase in good waste capture of 28%

If the collection frequency changed from the current fortnightly model, that would have an impact on required resources to deliver the collection services. Full details were provided in the report. A change in collection frequency could require consideration of changes to the container size or container types, which would involve

further considerations including funding, health and safety, impact on crews, compatibility with vehicles and storage for residents.

Capital funding would be required to procure alternative sized residual waste containers should a change in container size be required. That was estimated to be in the region of £1m.

The Chief Officer (Streetscene and Transportation) explained the details in the table which showed the current overall waste arising, recycling performance and potential fines that could be levied by WG to Flintshire for failing to achieve the statutory recycling targets.

The report was presented to the Environment & Economy Overview and Scrutiny Committee on 10<sup>th</sup> January 2023 and Members discussed the various options for alternative collection frequencies. The Committee proposed running a pilot for a reduced frequency collection service in one area of the county.

It was also proposed that an increase in the charge for garden waste collections be considered as part of the review. If the charge was increased by £1, it would generate additional income of £32k per year. Members of the Environment & Economy Overview and Scrutiny Committee supported that proposal.

Councillor Hughes and the Chief Officer explained the importance of changing behaviour through education and added that the practical implications of the suggested pilot would be challenging.

Councillor Bithell felt that if the targets had been met previously then they should be able to be again, and queried the best way to provide information to residents.

The Chief Officer said the area for the pilot had not yet been determined, or when it would start and for how long. A significant piece of work needed to be carried out and she suggested that she bring an updated report to Cabinet prior to the pilot being launched.

Councillor Roberts said Cabinet needed to take notice of the recommendation from Environment and Economy Overview and Scrutiny Committee.

**RESOLVED:**

- (a) That the Council's current recycling performance against statutory targets along with associated risks be noted;
- (b) That the options presented for alternative waste collection delivery models in order to achieve the statutory recycling targets set by Welsh Government be considered, and that the proposal to pilot a reduction in collection frequencies in one area of the county be supported; and
- (c) That the proposal to increase the garden waste subscription fee to recover increasing operational costs be approved.

## **110. REVENUE BUDGET MONITORING 2022/23 (MONTH 8)**

Councillor Johnson introduced the report which provided the latest revenue budget monitoring position for 2022/23 for the Council Fund and the Housing Revenue Account.

The projected year end position was:

### **Council Fund**

- An operating deficit of £0.352m (excluding the impact of the pay award which had been met by reserves), which was an adverse movement of £0.258m from the deficit figure reported at Month 7
- A projected contingency reserve available balance as at 31st March 2023 of £3.797m

### **Housing Revenue Account**

- Net in-year revenue expenditure forecast to be £3.076m higher than budget
- A projected closing balance as at 31st March 2023 of £3.398m

Hardship funding from Welsh Government helped secure £6m of direct financial help the previous year and payments in 2022/23 had continued to be claimed for Self-isolation and Statutory Sick Pay Enhancement, along with Free School Meals direct payments and Winter Fuel Payments within their eligible periods.

### **RESOLVED:**

- (a) That the report and the estimated financial impact on the 2022/23 budget be noted;
- (b) That the carry forward request be supported; and
- (c) That the Contingency Reserve be increased by £2.4m from the additional Revenue Support allocation it received at the end of the 2022/23 financial year to enhance the level remaining to safeguard the Council against risks and other unforeseen events.

## **111. SOCIAL VALUE PERFORMANCE AND MONITORING PROGRESS UPDATE**

Councillor Johnson introduced the report and explained that generating social value from the Council's commissioning and procurement activities was the largest contributor to increased social value and remained a key area of focus for the Council.

The report outlined performance data for the full financial year 2021/22, as well as the first six months of 2022/23.

The report also outlined the next steps for implementing the recommendations made and endorsed by Cabinet the previous year.

Councillor Bithell thanked the Social Value Development Officer for the report and complimented her on what had been achieved to date. In response to a question, the officer explained that each contract was assessed on a number of aspects, including price and quality and anything over £25,000 had social value factored in. Work was being undertaken to ensure thresholds were in place so that social value was included in all procurement exercises. In response to a further question, the Social Value Development Officer explained that if an apprentice had not completed the required hours, the completed hours would be carried forward onto another job within the Council.

In response to a comment from Councillor Hughes, the Social Value Development Officer explained that carbon had been part of social value targets for contracts over £1m but where possible carbon measures would be included in smaller contracts.

**RESOLVED:**

- (a) That the positive performance achieved in relation to generating social value during 2021/22, as well as the first six months of 2022/23 be noted; and
- (b) That the next steps proposed be supported.

**112. HOUSING RENT INCOME AND WELFARE RESPONSE**

Councillor Bibby introduced the report which provided a combined operational update on the latest welfare response impacts and current levels of 2022/23 housing rent arrears.

Rent arrears up to week 34 were £2.9m, compared to £2.7m at the same point the previous year. The ongoing cost of living crisis was having a detrimental impact on collections with some tenants struggling to meet the increasing living costs.

The use of the risk-based software was still being deployed to mitigate risks and ensure that early engagement was made with those tenants who were failing to maintain their rent payments.

The report also provided a further update on the impacts that welfare reforms continued to have on residents and other cost of living challenges. It also provided an update on the work that was ongoing to mitigate many of those challenges and to support those households through the cost of living crisis.

**RESOLVED:**

- (a) That the latest financial position for 2022/23 rent collections be noted; and
- (b) That the ongoing work to manage the impacts that welfare reform has, and will continue to have, on some of the most vulnerable residents along with implementing support via Welsh Government support measures to mitigate the cost of living crisis be supported.

### **113. EXERCISE OF DELEGATED POWERS**

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

#### **Streetscene and Transportation**

- **The Flintshire County Council – Wrexham Road, Fagl Lane and Stryt Isa, Hope – Proposed Prohibition of Waiting At Any Time**  
To advise Members of the objections received following the advertisement of the proposed Prohibition of Waiting At Any Time on the roads listed above.
- **Street Works Fees and Charges for 2023/24**  
The fees and charges levied for various licences and applications issued within Street Works have been reviewed and the proposed charges for 2023/24 are set out in the delegated powers sheet. The CPIH 12 month rolling rate as of March 2022 was 6.2%. This has been used as the normative inflation index amount and applied to all applicable fees and charges to generate the 2022 fees and charges amount payable. In order to allow applicants to set budgets for the forthcoming financial year, Street Works charges will take effect from 1<sup>st</sup> April 2023.

At this point the meeting was disrupted by member(s) of the public and the meeting was ended. The final part of the meeting, which was to consider a confidential report, was held via a new meeting link.

#### **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 items by virtue of exempt information under paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

### **118. SALE OF EXPRESSWAY BUSINESS PARK, QUEENSFERRY**

The Corporate Manager, Capital Programme and Assets, introduced the report which sought support to dispose of a County Council Leasehold Interest.

##### **RESOLVED:**

That the disposal of the Council's leasehold interest, as outlined in the report, be approved.

### **119. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE**

There were four members of the public in attendance.

(The meeting commenced at 10.00 a.m. and ended at 11.45 a.m.)

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**Chair**

# Eitem ar gyfer y Rhaglen 4



## CABINET

<b>Date of Meeting</b>	Thursday, 23 <sup>rd</sup> February 2023
<b>Report Subject</b>	Council Fund Revenue Budget 2023/24 – Final Closing Stage
<b>Cabinet Member</b>	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value & Procurement
<b>Report Author</b>	Corporate Finance Manager and Chief Executive
<b>Type of Report</b>	Strategic

### EXECUTIVE SUMMARY

Council has received full reports on previous stages of the budget setting process for 2023/24.

Cabinet received an update on the key headlines and financial impacts of the Welsh Local Government Provisional Settlement at its meeting on 17 January, together with an update on the increased additional budget requirement of £32.978m.

The report also provided 1) feedback from the series of specific Overview and Scrutiny committees held in December 2) an update on the ongoing risks to the additional budget requirement and 3) an update on the work being undertaken on the range of budget solutions available to the Council to set a legal and balanced budget.

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

The report sets out recommendations for the Council to be able to reach a legal and balanced budget position for the 2023/24 financial year.

This report also sets out the Council Tax recommendation for setting local taxation levels for 2023/24. We are also able to propose the formal resolution to Council when it meets later on 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: Revised Additional Budget Requirement 2023/24
- Table 2: Proposed Budget Solutions 2023/24
- Table 3: Proposed Budget 2023/24
- Table 4: School Budget Adjustments
- Table 5: Social Care Budget Adjustments
- Table 6: Medium Term Forecast 2024/25 – 2025/26

## RECOMMENDATIONS

1	That Cabinet notes and approves the revised additional budget requirement for 2023/24.
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 as set out within this report.
4	That Cabinet notes the open risks which remain to be managed in the 2023/24 financial year.
5	That Cabinet recommends an overall annual increase in Council Tax for 2023/24 of 3.99% for Council Services and 0.96% for contributions to North Wales Fire and Rescue Service, Regional Coroners Service and the Regional Education Consortium (GwE) – an overall uplift of 4.95%.
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

<b>1.00</b>	<b>EXPLAINING THE COUNCIL FUND REVENUE BUDGET 2023/24</b>
1.01	<p><b>The Additional Budget Requirement</b></p> <p>The additional budget requirement for 2023/24 has been continuously revised to take into account the latest available information and has been presented to members in stages throughout the budget planning and setting process.</p> <p>Cabinet received an update on the key headlines and financial impacts of the Welsh Local Government Provisional Settlement at its meeting on 17 January together with an update on an increased additional budget requirement of £32.978m for the 2023/24 financial year.</p> <p>The report also provided: -</p> <ol style="list-style-type: none"><li>1) feedback from the series of specific Overview and Scrutiny committees held in December</li><li>2) an update on the ongoing risks to the additional budget requirement and</li><li>3) an update on the work being undertaken on the range of budget solutions available to the Council to set a legal and balanced budget.</li></ol> <p>This work has now been concluded and the outcome is set out in the report.</p>
	<b>Additional Budget Requirement - Changes since the January Report</b>
1.02	<p><b>Pay Awards 2023/24</b></p> <p>Welsh Government confirmed in the provisional settlement that the full costs of all future pay awards (teaching and non-teaching) will need to be met from the overall funding allocations provided to councils, and that there will be no supplementary allocations made should final pay awards exceed budgetary provision.</p> <p>Pay inflation of 3.5% has previously been included in the 2023/24 budget requirement - however this is now considered an unrealistic estimate based on current market conditions and therefore this has been increased to 5% for both teaching and non-teaching pay which is also more in line with assumptions being made by other Welsh Authorities.</p> <p><b>An additional amount of £2.438m has been included in the budget.</b></p>
1.03	<p><b>Homelessness demand</b></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.</p> <p>The Council has been able to fund this in 2022/23 from temporary measures including specific funding from Welsh Government. Although the Council has recently had confirmation on the continuation of some specific grants, the funding is insufficient to meet estimated demand.</p>

	<p><b>An additional amount of £1m has been included in the budget.</b></p>
1.04	<p><b>North Wales Corporate Joint Committees (CJC)</b></p> <p>The North Wales Corporate Joint Committee (CJC) has a statutory requirement to set a budget each year and approve a levy on constituent authorities.</p> <p>The budget for 2023/24 has now been approved and is based on the CJC's initial functions of preparing, monitoring, and reviewing the Strategic Development Plan and developing a Regional Transport Plan.</p> <p>The Council's levy contribution for 2023/24 has been confirmed at £0.171m, which is £0.090m more than the £0.081m previously included.</p> <p><b>An additional amount of £0.090m has been included in the budget.</b></p>
1.05	<p><b>School Transport</b></p> <p>Since the start of the Autumn school term, there have been several transport pressures emerging relating to increased costs in the provision of additional key service routes for Additional Learning Needs (ALN) and Pupil Referral Units (PRU). These have arisen from a combination of re-procurement increases, additional statutory provision, and increased contractor costs due to fuel, insurance, driver costs etc.</p> <p>There is also a further pressure relating to additional capacity required on a commercial bus route for school transport requirements from September.</p> <p>A detailed review of current demand and costs projected through the next financial year has resulted in a significant additional budget requirement of £0.851m.</p> <p><b>An additional amount of £0.851m has been included in the budget.</b></p>
1.06	<p><b>Out of County Placements</b></p> <p>Additional funding of £1.500m was included in the 2022/23 budget although this area continues to increase in terms of service demand and cost. As at the Month 9 2022/23 budget monitoring report there is a net projected in-year overspend of £0.969m compared to the £0.500m previously included in estimates.</p> <p><b>An additional amount of £0.500m has been included in the budget.</b></p>
1.07	<p><b>Streetscene and Transportation – Additional Cost Pressures</b></p> <p>Additional in-year cost pressures have been identified that will continue into the following financial year:</p> <ul style="list-style-type: none"> <li>- reduced levels of income from recharges to town and community councils (£0.075m)</li> </ul>

	<ul style="list-style-type: none"> <li>- additional costs for security of Household Recycling Centre sites (£0.100m)</li> <li>- additional costs for weed spraying and public conveniences (£0.050m)</li> <li>- additional costs of public events (£0.025m)</li> </ul> <p><b>An additional amount of £0.250m has been included in the budget.</b></p>
1.08	<p><b>Aura Leisure and Libraries</b></p> <p>The previous additional budget requirement included an estimated recurring amount of £1.050m as a contribution towards the continuation of shortfalls in income targets and above inflationary increases for pay and energy.</p> <p>The amount has been refined and now reflects a recurring amount of £0.670m and a time-limited amount of £0.380m which would need to be claimed from the Council's Emergency Reserve in the same way as in the current financial year.</p> <p><b>The budget requirement has been reduced by an amount of £0.380m to reflect this adjustment.</b></p>
1.09	<p><b>Social Care Commissioning</b></p> <p>Further work has been undertaken on the fee modelling which has led to an adjustment of £0.476m that will reduce the amount previously included from £7.877m to £7.401m.</p> <p><b>The budget requirement has been reduced by an amount of £0.476m to reflect this change</b></p>
1.10	<p><b>Other minor changes</b></p> <p>The contribution to the North Wales Fire and Rescue Authority has now been confirmed as an increase of £0.881m (9.9%) compared with the 10% included in previous estimates.</p> <p>The contribution to the Regional Education Consortium (GwE) has also been confirmed as having no inflationary increase for 2023/24. The proportion each council contributes is updated annually to reflect changes in pupil data, and therefore an increase of £0.005m is still required. This is a reduction of £0.032m to the figure previously included.</p> <p>A cost pressure of £0.060m for Income from Land Gas extraction has been removed due to an improvement in the current year position.</p> <p>The cost pressure for capital borrowing costs has been reduced from £0.372m to £0.312m - a reduction of £0.060m.</p> <p><b>The budget requirement has been reduced by an amount of £0.153m to reflect these changes.</b></p>

1.11	<p>The changes in the budget requirement are summarised below:</p> <p><b>Table 1: Additional Budget Requirement 2023/24</b></p> <table border="1"> <thead> <tr> <th></th> <th>£M</th> <th>Paragraph</th> </tr> </thead> <tbody> <tr> <td><b>Budget Requirement - January Report</b></td> <td><b>32.978</b></td> <td></td> </tr> <tr> <td><b>Additional Cost Pressures:</b></td> <td></td> <td></td> </tr> <tr> <td>Increase in provision for Pay Awards</td> <td>2.438</td> <td>1.02</td> </tr> <tr> <td>Homelessness Service</td> <td>1.000</td> <td>1.03</td> </tr> <tr> <td>Corporate Joint Committee</td> <td>0.090</td> <td>1.04</td> </tr> <tr> <td>School Transport</td> <td>0.851</td> <td>1.05</td> </tr> <tr> <td>Out of County Placements</td> <td>0.500</td> <td>1.06</td> </tr> <tr> <td>Streetscene Cost Pressures</td> <td>0.250</td> <td>1.07</td> </tr> <tr> <td><b>Reduced Cost Pressures:</b></td> <td></td> <td></td> </tr> <tr> <td>Aura Leisure and Libraries</td> <td>(0.380)</td> <td>1.08</td> </tr> <tr> <td>Social Care Commissioning</td> <td>(0.476)</td> <td>1.09</td> </tr> <tr> <td>Other Minor Changes</td> <td>(0.153)</td> <td>1.10</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Total Revised Budget Requirement</b></td> <td><b>37.098</b></td> <td></td> </tr> </tbody> </table>		£M	Paragraph	<b>Budget Requirement - January Report</b>	<b>32.978</b>		<b>Additional Cost Pressures:</b>			Increase in provision for Pay Awards	2.438	1.02	Homelessness Service	1.000	1.03	Corporate Joint Committee	0.090	1.04	School Transport	0.851	1.05	Out of County Placements	0.500	1.06	Streetscene Cost Pressures	0.250	1.07	<b>Reduced Cost Pressures:</b>			Aura Leisure and Libraries	(0.380)	1.08	Social Care Commissioning	(0.476)	1.09	Other Minor Changes	(0.153)	1.10				<b>Total Revised Budget Requirement</b>	<b>37.098</b>	
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1.12	<p><b>The Welsh Local Government Provisional Settlement</b></p> <p>The Welsh Local Government Provisional Settlement was announced on 14 December and full details were included in the January report.</p> <p>The provisional Aggregate External Funding (AEF) represents a cash uplift of £19.568m over the 2022/23 amount of £232.179m which is an increase of 8.4%. (All Wales Average is an increase of 7.9%)</p>																																													
1.13	<p><b>Portfolio Cost Reductions</b></p> <p>Options for portfolio cost reductions were referred to a series of specific Overview and Scrutiny meetings which were held from the 1<sup>st</sup> to 15<sup>th</sup> December 2022 together with relevant cost pressures. Each of the committees also received a complete list of all potential cost reductions for all portfolios for completeness, RAG (Red, Amber, and Green) rated in order of deliverability and risk.</p> <p><b>No new cost reduction areas were identified at these meetings.</b></p> <p>Further work has been undertaken on these options and all “green” proposals have been included together with the “amber” proposals that are deemed deliverable at this stage.</p> <p>“Red” options have not been included in 2023/24 although these, and the remaining “Amber” options will need to be taken forward for review as part of the work on 2024/25 and 2025/26.</p> <p><b>The total amount included from portfolio cost reductions is £4.073m.</b></p>																																													

	<p>It should be noted that some of these cost reductions amounting to £1.892m relate to the removal of cost pressures from the budget requirement as reported to Scrutiny Committees in December. The remaining cost reductions totalling £2.181m are listed in appendix 4.</p>
1.14	<p><b>Corporate Financing – Cost Reductions</b></p> <p><u>Employers National Insurance</u></p> <p>The rate of National Insurance for employer and employee contributions has been reduced from November 2022 by 1.25%. The impact of this reduction is a positive benefit to the 2023/24 budget of £2.082m which includes an adjustment of £0.751m to the amount of pay inflation previously included and the removal of the pressure included in 2022/23 of £1.331m.</p> <p><u>Triennial Actuarial Review of the Clwyd Pension Fund</u></p> <p>The triennial review of the Clwyd Pension Fund is reaching its latter stages which will determine employer pension contributions for the next three years.</p> <p>Clwyd Pension Fund Committee approved the Funding Strategy Statement at its meeting on 15<sup>th</sup> February and individual results have been shared with employing organisations as part of consultation.</p> <p>As the Fund is now more than 100% funded the outcome will make a significant positive contribution to the budget 2023/24 – 2025/26 and the profiling of this benefit over the three years has been carefully considered taking into account affordability and sustainability.</p> <p>As a result, it is recommended that a reduction of £2.650m is included in 2023/24 which will enable further efficiencies to be built into the MTFS in 2024/25 and 2025/26.</p>
1.15	<p><b>Efficiencies / Cost Reductions – Schools</b></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 school budgets.</p> <p>A 3% reduction on delegated school budgets (at 2022/23 level) will be required and this provides a contribution of £3.103m towards the budget requirement.</p> <p>(Para 1.28 provides further analysis of the overall school budgets).</p>
1.16	<p><b>Council Tax</b></p> <p>The level of annual increase in Council Tax is a decision for Full Council.</p> <p>Based on the final additional budget requirement of £37.098m an overall annual increase of 3.99% is required on Council Tax for Council Services and 0.96% for additional contributions to North Wales Fire and Rescue Service, Regional Coroners Service and Regional Education Consortium (GwE).</p>

This equates to an overall uplift of 4.95% and provides overall additional yield of £5.622m in 2023/24.

This amounts to an annual increase of £71.75 per annum and brings the amount to £1,521.33 on a Band D equivalent (£1.38 per week equivalent).

### Police Precept/Town and Community Councils

The Police Precept and Town and Community Council Precepts for 2023/24 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.

#### 1.17 Table 2: Summary of Proposed Budget Solutions

	£M
<b>Revised Minimum Additional Budget Requirement (as in Table 1)</b>	<b>37.098</b>
<b>Less:</b>	
Provisional Settlement	(19.568)
Portfolio Efficiencies (Including removal of pressures)	(4.073)
Reversal of National Insurance Increase	(2.082)
Actuarial Valuation	(2.650)
Schools Budgets at 3%	(3.103)
Council Tax (4.95%)	(5.622)
<b>Amount Remaining</b>	<b>0.000</b>

#### 1.18 SUMMARY AND CONCLUSIONS

A legal and balanced budget for 2023/24 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.

#### 1.19 Table 3: Proposed Budget 2023/24

Funding	£m
Aggregate External Funding (AEF) / RSG NNDR	251.747
Council Tax	100.126
<b>SSA/Budget Requirement</b>	<b>351.873</b>
Specific Grants (Appendix 6)	43.012
<b>Total Funding</b>	<b>394.885</b>

<b><u>Expenditure</u></b>		<b>£m</b>
	Base Budget Rolled Forward	362.551
	Previous Years Growth/Items Dropping Out (Appendix 1)	0.629
	Inflation (Appendix 2)	18.494
	Pressures & Investments (Appendix 3)	15.333
	<b><u>Cost Reductions</u></b>	
	Portfolio (Appendix 4)	(2.181)
	Corporate Financing (Appendix 5)	(7.084)
	<b><u>Grants</u></b>	
	Less Specific Grants 2022/23	(35.869)
	Plus Specific Grants 2023/24 (Estimated Appendix 6)	43.012
	<b>Total Expenditure</b>	<b>394.885</b>
	<b>Balance</b>	<b>0.000</b>
	<b>Open Risks 2023/24</b>	
1.20	<p><b>Pay</b></p> <p>The proposed budget includes pay inflation for 2023/24 at 5% for both teaching and non-teaching staff. Should national pay agreements conclude at a higher level, this would mean the difference would need to be met from Council Reserves in 2023/24.</p> <p>The outcome of the pay modelling to be undertaken in 2023/24 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>	
1.21	<p><b>Supreme Court Judgement – Harpur Trust and Brazel</b></p> <p>The Council has been assessing the outcome and likely implications of the recent Supreme Court Judgement in the above case which may have a financial impact, due to the potential for an amendment to the holiday pay calculations for irregular hour's workers, including those who are contracted to work term time only.</p> <p>Analysis undertaken to date has concluded that there is a cost in 2022/23 of around £0.108m for the term time only element but that there is no additional pressure for 2023/24 anticipated.</p>	

	<p>The cost of £0.108m for 2022/23 may also be subject to a claim for compensation for a period up to 6 years and therefore it may be necessary to set aside a future amount from the contingency reserve.</p> <p>There is a residual risk remaining for additional costs for employees who may be entitled to additional pay due to regular irregular additional hours but this is considered minimal.</p>
1.22	<p><b>Out of County Placements</b></p> <p>This remains an open risk as set out in 1.06 above.</p>
1.23	<p><b>Homelessness</b></p> <p>This remains an open risk as set out in 1.03 above.</p>
1.24	<p><b>Emerging Risk – Ukraine resettlement</b></p> <p>The UK government announced several significant and unexpected changes to the funding programme for Ukraine resettlement and Welsh Government have not yet confirmed the level of financial support available for 2023/24.</p> <p>Cost pressures relating to commitments to rental top ups as we move families out of host and hotel accommodation will need further consideration in 2023/24.</p> <p>There is a risk that if the Welsh Government do not provide the appropriate level of funding for these costs, as such there may be a financial impact on the Council which would need to be met from the Contingency reserve in year.</p>
1.25	<p><b>Waste Recycling – Infraction Charges</b></p> <p>Due to the Council not meeting the statutory minimum target for the percentage of municipal waste which must be recycled, prepared for re-use and composted (64% in 2021/22), Welsh Government (WG) can now take steps to impose a penalty on the Council by way of an infraction fine.</p> <p>This has been confirmed as a penalty of up to £0.663m in 2022/23 and is a further potential risk for 2023/24.</p> <p>Discussions are set to take place between WG and the Council as to the reason for not achieving the target and whether the penalty will be levied, so this presents a significant financial risk to the Council.</p>
1.26	<p><b>On-going Inflationary Impact on Energy and other Costs</b></p> <p>Market volatility means that the risk of increases in energy cost remains and will need to be kept under review.</p> <p>There is an ongoing risk that the current high level of inflation will impact on suppliers of services and that we will see higher costs as a result.</p>



1.27	<p><b>Specific Grants</b></p> <p>We still await confirmation of some specific grants.</p> <p>The most significant is the Sustainable Waste Management Grant which is still to be confirmed on an all Wales basis for 2023/24 onwards.</p> <p>Details of the specific grants we are aware of are at this time are included in Appendix 6.</p>																				
<b>SCHOOL AND SOCIAL CARE BUDGETS</b>																					
1.28	<p><b>Schools' Budget</b></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> <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 protect the schools budget from reductions this year.</p> <p>However, the Council recognises the increasing demands, challenges, and risks that schools are currently facing.</p> <p>The table below provides the details of an overall increase of 5.3% in funds for education and schools in 2023/24.</p> <p><b>Table 4: School Budget Adjustments</b></p> <table border="1" data-bbox="300 1196 1412 1787"> <thead> <tr> <th><b>Pressures / Cost Reductions</b></th> <th><b>£m</b></th> </tr> </thead> <tbody> <tr> <td>Teachers Pay Awards (2022/23 &amp; 2023/24)</td> <td>4.518</td> </tr> <tr> <td>Non-teaching Pay Awards (2022/23 &amp; 2023/24)</td> <td>3.201</td> </tr> <tr> <td>Energy Inflation</td> <td>2.236</td> </tr> <tr> <td>Eligibility for Free School Meals</td> <td>0.139</td> </tr> <tr> <td>Demography (increase in learners and complexity of their needs)</td> <td>0.403</td> </tr> <tr> <td>Schools share of the reduction in Employers National Insurance contributions</td> <td>(0.857)</td> </tr> <tr> <td>Schools share of the triennial actuarial review of the Clwyd Pension Fund</td> <td>(0.776)</td> </tr> <tr> <td>3% budget reduction</td> <td>(3.103)</td> </tr> <tr> <td><b>Total School Pressures &amp; Cost Reductions 2023/24</b></td> <td><b>5.761</b></td> </tr> </tbody> </table> <p>The level of school reserves rose again in the year ending 31st March 2022 mainly due to significant additional grants from Welsh Government to assist schools in managing the effects of the pandemic on learners.</p> <p>Welsh Government have continued to provide significant additional grants during the year and have indicated that some grants will continue into future years.</p>	<b>Pressures / Cost Reductions</b>	<b>£m</b>	Teachers Pay Awards (2022/23 & 2023/24)	4.518	Non-teaching Pay Awards (2022/23 & 2023/24)	3.201	Energy Inflation	2.236	Eligibility for Free School Meals	0.139	Demography (increase in learners and complexity of their needs)	0.403	Schools share of the reduction in Employers National Insurance contributions	(0.857)	Schools share of the triennial actuarial review of the Clwyd Pension Fund	(0.776)	3% budget reduction	(3.103)	<b>Total School Pressures &amp; Cost Reductions 2023/24</b>	<b>5.761</b>
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	<p>The Provisional Settlement received from Welsh Government was higher than the indicative allocation due to a combination of consequential funding arising from UK Budget announcements in the autumn statement (November 2022) and the positive impact of data set adjustments used in the formula.</p> <p>As a result of spending decisions to education in England, the Welsh Government received a consequential of £117m a year in the Autumn Statement. It is understood that £10m of this funding will be issued in specific grants to schools in 2023/24, and that the remaining £107m has been included in the Welsh Local Government Settlement.</p> <p>Whilst it is not possible to state exactly how much of the £107m the Council has received from Welsh Government, our share of the published School Services Indicator Based Assessment (IBA) across Wales is 4.97% (a range of service IBAs are used to calculate each Council's funding from WG).</p> <p>Applying 4.97% to the £107m equates to £5.313m being the best estimate available of the Council's share of the additional education consequential funding. The funding being allocated to schools is £0.448m above this estimate.</p>
1.29	<p><b>Social Care Budget</b></p> <p>Within the 2023/24 budget the Council has included a 12.8% increase to the Social Care budget to meet the pressures from Care Commissioners and to support residents. This includes the additional pressure for Out of County Placements which is all in relation to Social Care placements.</p> <p>The Social Care sector remains under pressure from increased demand and inflationary pressures and in recent weeks we have seen the loss of a number of placements for residential care due to the closure of some independent residential care providers. Costs for commissioned care will therefore see significant increases to enable care providers to continue to operate safely and maintain market stability.</p> <p>There exists a continued challenge to recruit and retain Care Workers within the social care sector and particularly in homecare. Whilst the Real Living Wage has been adopted for all registered carers in Flintshire the sector does pay below in terms of hourly pay rates with 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.</p> <p>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.</p> <p>The table below provides the details to the overall increase of 12.8% in funds to Social Care in 2023/24.</p>

**Table 5: Social Care Adjustments**

<b>Pressures / Cost Reductions</b>	<b>£m</b>
Social Care Pay Awards (2022/23 & 2023/24)	2.423
Social Care Commissioning	7.401
Out of County Placements	1.000
Transition to Adulthood	0.993
Childrens Services Group Homes	0.300
Increased Homecare Capacity	0.150
Special Guardianship Orders	0.050
Social Worker Pay Review	0.179
Less 2023/24 Portfolio Cost Reductions (net of removal of pressures)	(0.101)
Social Care share of the reduction in Employers National Insurance contributions	(0.182)
Social Care share of the triennial actuarial review of the Clwyd Pension Fund	(0.683)
<b>Total Social Care Pressures &amp; Cost Reductions 2023/24</b>	<b>11.530</b>

1.30 **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 £12.7m to £8.0m by the end of the 2023/24 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.

1.31 **Un-Earmarked Reserves**

The Council holds a base level of reserve of £5.769m and this position remains unchanged for 2023/24. This is a relatively low level of base reserves and has not been increased for some time. Levels of unearmarked reserves over and above this figure are referred to as the Contingency Reserve. This reserve is projected to be at £6.464m at year end based on the Month 9 2022/23 budget monitoring report.

The Contingency Reserve is the Council's main 'defence' against in-year cost pressures. It is used to meet the impact of an overall overspend in any given financial year and to mitigate against potential financial risks. The main open risks that the Council will face in 2023/24 are detailed in paras 1.20 – 1.27.

The Council also set aside an emergency fund at the outset of the pandemic which had a balance of £2.066m at 31/03/22 and an additional amount of £3.250m was allocated as part of the 2022/23 budget to safeguard against

	<p>ongoing financial risks from the pandemic following the cessation of the Welsh Government Hardship Fund providing a balance of £5.316m.</p> <p>An amount of £3.722m remains in the fund at this stage and it is projected there will be around £3.1m remaining at the end of the financial year.</p> <p>It is recommended that this Reserve is retained as a safeguard against the continuation of covid sickness cover and addressing existing pressures such as homelessness and to continue to support our partner organisations as they deal with the impact of high energy costs and other uncontrollable factors.</p>
1.32	<p><b>Formal Advice of the Corporate Finance Manager</b></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>
1.33	<p>The 2023/24 budget has again been set within the context of the Medium Term Financial Strategy and during a year which has seen significant changes in the economy particularly around very high energy and inflation levels and increasing interest rates. The Council has utilised its Emergency Reserve to deal with some of the legacy impacts of the pandemic.</p>
1.34	<p>For the estimates contained within the budget, all figures are supported by a clear and robust methodology with the cost reduction proposals included considered the more achievable. Higher risk cost reduction options will need to be revisited for 2024/25 and beyond so it is important that the budget is set in the context of the medium term. The cost pressures are supported by evidenced method statements.</p>
1.35	<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 2022/23 through the monthly budget monitoring report, with a detailed challenge of earmarked reserves undertaken throughout Summer 2022 which resulted in an amount of £1.208m being released from earmarked reserves back to the general contingency reserve. This process ensures that members can have a good understanding of all the reserves held by the Council.</p>
1.36	<p>I can confirm the reasonableness of the estimates contained in the proposed budget having regard to the Council's spending needs in 2023/24 and the financial context within which the budget is being set. It is clear that there continue to be some significant open risks within the 2023/24 budget proposals - particularly around pay provision and specific service demands within social care and homelessness services. The increase in our Aggregate External Finance (AEF) for 2023/24 is welcome although the increase still only equates to around 50% of identified cost pressures. The revised</p>

	<p>indicative AEF uplift for 2024/25 is just 3.1%. Therefore, it is important that 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>
1.37	<p>I recommend that Council should maintain its Base Level of Reserves of £5.769m and retain its contingency reserve in full as a safeguard to manage any in-year cost pressures and variances.</p> <p>As the Base Level has not been increased for a number of years it is recommended that this is reviewed for the 2024/25 budget.</p> <p>In addition, the Emergency Reserve needs to be retained to provide safeguards for the continuing impacts of additional costs and lost income arising from the pandemic.</p>
1.38	<p>The recurring budget proposals do not require the use of temporary reserves which builds on our approach in recent years and the proposed budget is funded on a predominantly recurrent and sustainable basis. This approach was essential in ensuring that we had sufficient reserves available to meet the unexpected higher pay award in 2023/24. The outlook for 2024/25 and beyond shows an essential need to continue with this approach.</p>
1.39	<p><b>Formal Advice of the Chief Executive</b></p> <p>My professional advice complements that of the Corporate Finance Manager, as set out above.</p>
1.40	<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>
1.41	<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 improvement objectives and public service duties and obligations of the Council. Our budget-setting process is an intricate one with all decisions being carefully risk-assessed.</p>
1.42	<p>We have advised Council throughout that this is a challenging budget set in a period of great 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. There are no further cost reductions or cost efficiencies of scale beyond those reported in stages one and two of the budget-setting process. Council, as advised by Cabinet and the six Overview and Scrutiny Committees, has concurred with this advice and has not asked for any further reviews of corporate or service portfolio budgets to be undertaken to reduce cost provisions. 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 improved provisional settlement at 8.4% is welcomed but falls short and will lead to an increased risk profile for the Council going forward.</p>

1.43	Looking ahead the outlook remains uncertain with energy costs and inflation impacting negatively on the wider economy, although the Bank of England forecasts inflation falling throughout 2024, economic growth will remain weak, and the impacts of Brexit and the Pandemic have still 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.																		
1.44	As noted, a number of ‘open risks’ remain to be managed and we will again be challenged to manage our budget in-year throughout 2023/24. Our advice on risk management and how it affects setting a prudent budget needs to be carefully heard.																		
1.45	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 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 discussions coming from within Welsh Government on the funding formula, this is to be welcomed but greater urgency is needed.																		
1.46	<p><b>Concluding Advice to Close the Budget</b></p> <p>Council is able to set a legal and balanced budget for 2023/24 based on the calculations and advice set out in this report and can fulfil its collective legal responsibility. All calculations are based on an overall Council Tax rise of 4.95% (3.99% for Council Services and 0.96% for the regional contributions to the North Wales Fire and Rescue Service, the Coroners Service and the Regional Education Consortium GwE).</p>																		
1.47	<p><b>Medium Term Financial Forecast</b></p> <p>The financial forecast for the medium-term, for the financial years– 2024/25 – 2025/26, 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 3.5%; (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><b>Table 6: Medium Term Forecast</b></p> <table border="1"> <thead> <tr> <th>Cost Pressure Group</th> <th>2024/25 (£m)</th> <th>2025/26 (£m)</th> </tr> </thead> <tbody> <tr> <td>Pay Inflation</td> <td>7.084</td> <td>7.441</td> </tr> <tr> <td>Non-Pay Inflation</td> <td>0.776</td> <td>0.769</td> </tr> <tr> <td>Social Care Pressures</td> <td>6.751</td> <td>5.656</td> </tr> <tr> <td>Other Pressures</td> <td>2.376</td> <td>1.893</td> </tr> <tr> <td><b>Total</b></td> <td><b>16.987</b></td> <td><b>15.759</b></td> </tr> </tbody> </table>	Cost Pressure Group	2024/25 (£m)	2025/26 (£m)	Pay Inflation	7.084	7.441	Non-Pay Inflation	0.776	0.769	Social Care Pressures	6.751	5.656	Other Pressures	2.376	1.893	<b>Total</b>	<b>16.987</b>	<b>15.759</b>
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<b>Total</b>	<b>16.987</b>	<b>15.759</b>																	
1.48	The 2023/24 Provisional Settlement included an indicative all-Wales revenue allocations for 2024/25 of 3.1% (Average) for Local Government.																		

	<p>Whilst this an improvement of the indicative amount announced as part of the 2022/23 settlement, this is considerably lower than this year's settlement and will present the Council with a significant challenge over the medium term.</p>
1.49	<p>The timetable for the closing stages of the annual budget setting process is as follows: -</p> <p>23rd February 2023 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>1 March 2023: Announcement of the Final Welsh Local Government Settlement.</p> <p>There is one change anticipated to the Final Settlement when it is announced on 1 March. This relates to the Transfer of the Fire and Rescue SCAPE funding into the Revenue Support Grant. This grant relates to Employer Pension Contribution rates for the Firefighter Pension Scheme. This grant will be paid directly by the council to the North Wales Fire and Rescue Authority (NWFRA) therefore there should be no impact on the funding available to the council.</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>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	<p><b>Revenue:</b> the revenue implications for the 2023/24 budget are set out in the report.</p> <p><b>Capital:</b> there are no new implications for the approved capital programme for either the current financial year or for future financial years.</p> <p><b>Human Resources:</b> 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>

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>		
3.01	<p><b>Ways of Working (Sustainable Development) Principles Impact</b></p> <table border="1"> <tr> <td>Long-term</td> <td>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</td> </tr> </table>	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
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	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.
<b>Well-Being Goals Impact</b>	
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.



<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	<p>Member briefings in September/October 2022          Specific Scrutiny meetings December 2022          Workforce Briefings January 2023          Consultation with the principle NNDR payers has been undertaken          School Budget Forum          Primary and Secondary Headteacher Federations          Education Consultative Committee          Budget Briefing for Headteachers and Chairs of Governors          Group Leader briefings</p>

<b>5.00</b>	<b>APPENDICES</b>
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 2023/24          Appendix 7: Balances &amp; Reserves</p>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>The series of preparatory budget reports for the 2023/24 financial year.          The series of presentations made to Cabinet and Council for the 2023/24 financial year.</p>

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

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<p><b>Medium Term Financial Strategy (MTFS):</b> 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> <p><b>Revenue:</b> 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>

**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.

<b>BUDGET 2023/24 - COUNCIL FUND REVENUE</b>
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<b>Prior Years Growth / Items Dropping Out</b>	<b>£m</b>
<b><u>Central &amp; Corporate</u></b>	
Minimum Revenue Provision	0.301
21C Schools Band B Borrowing Costs	0.028
<b><u>Governance</u></b>	
Single Person Discount Scheme	0.300
<b>TOTAL - PRIOR YEARS</b>	<b>0.629</b>

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<b>BUDGET 2023/24 - COUNCIL FUND REVENUE</b>
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<b>Inflation</b>	<b>£m</b>
<b><u>22/23 Pay Inflation</u></b>	
NJC Pay Award Estimate (Non Schools) - 22/23	2.440
NJC Pay Award Estimate (Schools) - 22/23	1.455
Teachers Pay Award Estimate - Sept - March 22-23	0.659
<b><u>23/24 Pay Inflation</u></b>	
NJC Pay Award Estimate (Non Schools)	4.171
NJC Pay Award Estimate (Schools)	1.746
Teachers Pay Award - April to August	1.553
Teachers Pay Award - Sept to March 24	2.306
<b><u>Service Contract Inflation/National Insurance</u></b>	
Service Contract Inflation	0.156
<b><u>Schools Inflation</u></b>	
Utilities	2.236
<b><u>Other Inflation</u></b>	
Fuel Costs	0.372
Regional Education Consortia (GWE)	0.005
Aura - Utilities and Pay	0.670
Utilities - Non Schools	0.391
Parc Adfer Partnership	0.303
Business Systems	0.031
<b>TOTAL - INFLATION</b>	<b>18.494</b>

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<b>BUDGET 2023/24 - COUNCIL FUND REVENUE</b>
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<b>Pressures &amp; Investments</b>	<b>£m</b>
<b><u>Central &amp; Corporate</u></b>	
North Wales Fire and Rescue - Levy increase	0.881
E-Procurement Tools - Basware	0.021
Internal Insurance Fund	0.325
Corporate Joint Committee Levy	0.171
Support Recharges (Housing Revenue Account/Clwyd Pension Fund)	0.240
Capital Borrowing Costs	0.312
Coroners Service	0.029
<b>SubTotal - Central &amp; Corporate</b>	<b>1.978</b>
<b><u>Chief Executives</u></b>	
Social Value Post (0.5 fte)	0.024
<b>SubTotal - Chief Executives</b>	<b>0.024</b>
<b><u>Education &amp; Youth</u></b>	
HwB (Ed Tech) Digital Programme Advisor for Schools	0.028
<b>Sub Total - Education &amp; Youth</b>	<b>0.028</b>
<b><u>Governance</u></b>	
Independent Remuneration Panel for Wales (IRPW)	0.087
Digital Connectivity Officer	0.043
Education Appeals Post	0.027
Cyber Security Officers	0.053
Ransomware Detection Software	0.046
Consultation and Engagement Software	0.015
<b>Sub Total - Governance</b>	<b>0.270</b>
<b><u>Housing &amp; Communities</u></b>	
Homelessness Demand	1.000
Agricultural Estate Rents - Loss of Income	0.040
<b>Sub Total - Housing &amp; Assets</b>	<b>1.040</b>
<b><u>Out of County Placements</u></b>	
Out of County Placements	1.000
<b>SubTotal - Out of County Placements</b>	<b>1.000</b>
<b><u>People &amp; Resources</u></b>	
Employment Services	(0.035)
<b>Sub Total - People &amp; Resources</b>	<b>(0.035)</b>

<b>Pressures &amp; Investments</b>	<b>£m</b>
<b><u>Planning, Environment &amp; Economy</u></b>	
Public Protection Capacity	0.037
Senior Conservation Planner	0.048
Energy Project Co-ordinator	0.059
Climate Change & Carbon Reduction Programme Manager	0.065
Ash Die Back	0.053
<b>Sub Total - Planning, Environment &amp; Economy</b>	<b>0.261</b>
<b><u>Schools</u></b>	
Demography	0.403
Free School Meals	0.139
<b>Sub Total - Schools</b>	<b>0.542</b>
<b><u>Social Services</u></b>	
Social Care Commissioning	7.401
Social Worker Pay Review	0.179
Transition to Adulthood	0.993
Increased Homecare Capacity	0.150
Special Guardianship Orders	0.050
Children's Services Group Homes	0.300
<b>Sub Total - Social Services</b>	<b>9.073</b>
<b><u>Streetscene &amp; Transportation</u></b>	
Garden Waste Income - Static Price	0.050
Reduced Income from recharges to Town & Community Councils	0.075
Security of Household Recycling Centre Sites	0.100
Weed Spraying and Public Conveniences	0.050
Public Events	0.025
School Transport	0.851
<b>Sub Total - Streetscene &amp; Transportation</b>	<b>1.151</b>
<b>TOTAL - PRESSURES &amp; INVESTMENTS</b>	<b>15.333</b>



<b>BUDGET 2023/24 - COUNCIL FUND REVENUE</b>
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<b>Cost Reductions - Portfolio</b>	<b>£m</b>
<b><u>Central &amp; Corporate</u></b>	
Central Loans & Investment Account (CLIA)	(0.364)
<b>Total - Central &amp; Corporate</b>	<b>(0.364)</b>
<b><u>Chief Executives</u></b>	
Transport Savings	(0.010)
Vacancy Saving	(0.031)
Vacancy Saving - Assets	(0.017)
3rd Sector Budget - Assets	(0.041)
<b>Sub Total - Chief Executives</b>	<b>(0.099)</b>
<b><u>Education &amp; Youth</u></b>	
Central Management Budget	(0.060)
Additional Learning Needs Reform - Advocacy	(0.020)
Additional Learning Needs Reform - Legal	(0.010)
Additional Learning Needs - Resource Provision	(0.100)
Early Years Entitlement	(0.095)
Youth Club Buildings	(0.017)
Youth Services	(0.056)
Youth Justice	(0.016)
<b>Sub Total - Education &amp; Youth</b>	<b>(0.374)</b>
<b><u>Governance</u></b>	
Member Support Budget	(0.016)
Member Allowances	(0.060)
Central Despatch	(0.022)
Mold and Buckley Connects	(0.060)
<b>Sub Total - Governance</b>	<b>(0.158)</b>
<b><u>Housing &amp; Communities</u></b>	
Council Tax Reduction Scheme (CTRS) Reduction	(0.147)
<b>Sub Total - Housing &amp; Communities</b>	<b>(0.147)</b>
<b><u>People &amp; Resources</u></b>	
HR&OD - Modern Apprentices	(0.072)
Corporate Finance Vacancy Savings	(0.086)
Corporate Finance - Reduction of Training and Travel	(0.016)
<b>Sub Total - People &amp; Resources</b>	<b>(0.174)</b>

<b><u>Planning, Environment &amp; Economy</u></b>	
Admin Team Vacancy	(0.020)
Highways Development Supervision Fee Income	(0.050)
Increase in Development Fee Income	(0.130)
<b>Sub Total - Planning, Environment &amp; Economy</b>	<b>(0.200)</b>
<b><u>Strategic Programmes</u></b>	
Newydd	(0.019)
Newydd NI	(0.023)
<b>Sub Total - Strategic Programmes</b>	<b>(0.042)</b>
<b><u>Social Services</u></b>	
Contribution to Regional Team	(0.050)
Reduced Contribution to Emergency Duty Team (EDT)	(0.011)
Retendering of Disability Day Services and Workschemes	(0.040)
<b>Sub Total - Social Services</b>	<b>(0.101)</b>
<b><u>Streetscene &amp; Transportation</u></b>	
Increase Car Parking Charges	(0.187)
Introduce car parking charges on all other Council owned car parks	(0.035)
Enhanced Enforcement for Recycling	(0.046)
Part-night Street Lighting	(0.018)
Review Provision of Public Conveniences	(0.012)
Fleet Workshop	(0.010)
Training Facility	(0.010)
Waste and Recycling Round Review	(0.075)
Expand, Repair and Reuse Initiative	(0.010)
In-house Highways Services	(0.025)
Review of Security Arrangements in Depot	(0.050)
Apprenticeship/Trainee Scheme	(0.035)
Funeral Services Additional Income	(0.010)
<b>Sub Total - Streetscene &amp; Transportation</b>	<b>(0.523)</b>
<b>TOTAL - EFFICIENCIES</b>	<b>(2.181)</b>

<b>BUDGET 2023/24 - COUNCIL FUND REVENUE</b>	
<b>Efficiencies - Corporate</b>	<b>£m</b>
<b><u>Corporate Efficiencies</u></b>	
Actuarial Review	(2.650)
Schools 3% Reduction in delegated funding	(3.103)
Reversal of National Insurance (NI) Increase	(1.331)
<b>Total - Corporate Efficiencies</b>	<b>(7.084)</b>
<b>TOTAL - EFFICIENCIES</b>	<b>(7.084)</b>

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## BUDGET 2023/24 - COUNCIL FUND REVENUE

Specific Grants	Budget 2022/23 £	Budget 2023/24 £	Variance £	Conf (C) or Est (E)
<b>Education &amp; Youth - Non Delegated</b>				
Promoting Positive Engagement	196,152	196,152	0	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	1,485,772	1,557,706	71,934	C
Pupil Development Grant	5,567,305	5,736,000	168,695	E
Reducing Infant Class Sizes	120,282	0	(120,282)	C
Additional Learning Needs Transformation	34,031	34,031	0	E
Adult Community Learning	244,231	260,000	15,769	E
Feminine Hygiene	124,137	124,137	0	E
Education Improvement Grant for Schools	5,852,651	6,514,861	662,210	E
Universal Primary Free School Meals ***	0	1,136,000	1,136,000	E
Recruit Recover Raise Standards - the Accelerating Learning Programme ****	0	1,667,000	1,667,000	E
Transition support for Minority Ethnic & Gypsy, Roma, Traveller learners	0	417,000	417,000	E
<b>Sub Total - Education &amp; Youth (Non Delegated)</b>	<b>14,664,394</b>	<b>18,682,720</b>	<b>4,018,326</b>	
<b>Education &amp; Youth - Delegated</b>				
6th Form Funding (Formally DCELLs)	4,224,925	4,598,000	373,075	E
<b>Sub Total - Education &amp; Youth (Delegated)</b>	<b>4,224,925</b>	<b>4,598,000</b>	<b>373,075</b>	
<b>Housing &amp; Communities</b>				
Housing Support Grant (formerly Supporting People)	7,828,610	7,845,551	16,941	E
No One Left Out Approach - Homelessness ***	0	381,898	381,898	E
Discretionary Homelessness Prevention ***	0	195,103	195,103	E
Strategic Co-ordinator Post - Homelessness ***	0	60,000	60,000	E
<b>Sub Total - Housing &amp; Communities</b>	<b>7,828,610</b>	<b>8,482,552</b>	<b>653,942</b>	
<b>Planning , Environment &amp; Economy</b>				
Substance Misuse	500,832	517,933	17,101	C
Domestic Abuse Co-ordinator Funding (VAWDASV)	167,674	167,674	0	E
Legacy Fund	127,680	52,924	(74,756)	C
Communities for Work Plus	431,300	812,928	381,628	C
<b>Sub Total - Planning, Environment &amp; Economy</b>	<b>1,227,486</b>	<b>1,551,459</b>	<b>323,973</b>	
<b>Social Services</b>				
Social Care Workforce Development Programme	312,069	312,069	0	E
Flying Start	3,225,513	4,615,694	1,390,181	C
St. David's Day	40,758	40,758	0	C
Childcare & Play	97,877	97,877	0	C
Children and Communities Grant Project Management / Early Help	271,959	37,359	(234,600)	C
Childcare Admin Offer	339,762	339,762	0	E
Funding to Support proposals relating to eliminating profit from the care of looked after Children	0	501,212	501,212	E
Support for the radical reform of the care of looked after children	0	85,878	85,878	E
<b>Sub Total - Social Services</b>	<b>4,287,938</b>	<b>6,030,609</b>	<b>1,742,671</b>	
<b>Strategic Programmes</b>				
Free Swimming	60,750	60,750	0	E
National Exercise Referral	123,750	123,750	0	E
Active Young People	256,500	257,000	500	E
Over 60's	0	30,664	30,664	E
<b>Sub Total - Strategic Programmes</b>	<b>441,000</b>	<b>472,164</b>	<b>31,164</b>	
<b>Streetscene &amp; Transportation</b>				
Concessionary Travel	1,900,000	1,900,000	0	E
Sustainable Waste Management	737,209	737,209	0	TBC **
Bus Service Support Grant	557,000	557,000	0	E
<b>Sub Total - Streetscene &amp; Transportation</b>	<b>3,194,209</b>	<b>3,194,209</b>	<b>0</b>	
<b>TOTAL - GRANTS</b>	<b>35,868,562</b>	<b>43,011,713</b>	<b>7,143,151</b>	

\*2023/24 Budget including estimated amounts not final

\*\* This Grant is yet to be confirmed - moving to bid type Grant 2023-24

\*\*\* These were new Grants in 2022/23 - received late notification of the Grants in 22/23 and was therefore not able to be included in the figures at the time of setting the budget

\*\*\*\* Unsure of continuation of grant at time of setting 2022/23 budget

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<b>BUDGET 2023/24 - COUNCIL FUND REVENUE</b>
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<b>Summary of Council Fund Earmarked Reserves</b>	<b>Est Bal 01/04/23 £m</b>	<b>Est Bal 31/03/24 £m</b>
<b><u>Service Balances</u></b>		
Corporate Services	0.357	0.000
Education & Youth	0.061	0.029
Housing & Communities	0.216	0.089
Planning & Environment	0.430	0.000
Social Services	0.118	0.030
Streetscene	0.006	0.000
<b>Total - Service Balances</b>	<b>1.188</b>	<b>0.148</b>
<b><u>Corporate Balances</u></b>		
Single Status / Equal Pay	0.855	0.855
General Reserve - Investment in Organisational Change	1.062	0.704
<b>Total Corporate Balances</b>	<b>1.916</b>	<b>1.558</b>
<b><u>Specific Reserves</u></b>		
County Elections	0.236	0.236
Local Development Plan	0.242	0.242
Warm Homes Admin Fee	0.202	0.000
Waste Disposal	0.049	0.031
Design Fees	0.125	0.125
Winter Maintenance	0.250	0.250
Severe Weather	0.120	0.120
Insurance Funds	2.350	2.575
School HWB ICT Replacement	0.263	0.263
Flintshire Trainees	0.613	0.524
Plas Derwen Wave 4	0.002	0.002
Supervision Fees	0.049	0.000
IT COVID Enquiry	0.160	0.000
Schools Intervention Reserve	0.434	0.020
Organisational Change/ADM	0.241	0.241
North Wales Economic Ambition Board	0.211	0.000
Solar Farms	0.058	0.000
Employment Claims	0.110	0.110
Community Benefit Fund NWRWTP	0.230	0.220
Grants & Contributions	3.624	1.324
<b>Total Specific Reserves</b>	<b>9.567</b>	<b>6.281</b>
<b>Total Earmarked Reserves</b>	<b>12.671</b>	<b>7.988</b>

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# Eitem ar gyfer y Rhaglen 5



## CABINET

<b>Date of Meeting</b>	Thursday 23 <sup>rd</sup> February 2023
<b>Report Subject</b>	Minimum Revenue Provision – 2023/24 Policy
<b>Cabinet Member</b>	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	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 2023/24.

The Policy is presented to Members in conjunction with the 2023/24 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"><li>• Option 3 (Asset Life Method) be used for the calculation of the MRP in financial year 2023/24 for the balance of outstanding capital expenditure funded from supported borrowing fixed as at 31<sup>st</sup> March 2017. The calculation will be the 'annuity' method over 49 years.</li><li>• Option 3 (Asset Life Method) be used for the calculation of the MRP in 2023/24 for all capital expenditure funded from supported borrowing from 1<sup>st</sup> 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.</li><li>• Option 3 (Asset Life Method) be used for the calculation of the MRP in 2023/24 for all capital expenditure funded from unsupported (prudential) borrowing or credit arrangements. 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.</li></ul>
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"><li>• Option 3 (Asset Life Method) be used for the calculation of the HRA's MRP in 2023/24 for the balance of outstanding capital expenditure funded from debt fixed as at 31<sup>st</sup> March 2021. The calculation will be the 'annuity' method over 50 years.</li><li>• Option 3 (Asset Life Method) be used for the calculation of the HRA's MRP in 2023/24 for all capital expenditure funded from debt from 1<sup>st</sup> 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.</li></ul>
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"><li>• 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.</li><li>• 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.</li></ul>

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE MINIMUM REVENUE PROVISION</b>
	<b>Background to Capital Expenditure and Financing</b>
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"> <li>• 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</li> <li>• 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.</li> </ul>
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>

	<b>Options for prudent provision within WG guidance</b>
1.05	<p><b>Option 1 - Regulatory Method</b></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 <math>100\% / 4\% = 25</math>), 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><b>Option 2 - Capital Financing Requirement Method</b></p> <p>The same as Option 1 without adjusting for Adjustment A, which results in a higher charge.</p>
1.07	<p><b>Option 3 - Asset Life Method</b></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"> <li>• Straight line method - equal annual MRP charge  <math>\text{£}4\text{m} / 50 \text{ years} = \text{£}0.080\text{m}</math></li> <li>• 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</li> </ul>

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><b>Housing Revenue Account (HRA)</b></p>
1.10	<p>Following the introduction of self-financing for the HRA and the voluntary exit from the negative subsidy system on 31<sup>st</sup> March 2015, from 1<sup>st</sup> 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"> <li>Options 1 and 2 - the percentage is 4% for the Council Fund and 2% for the HRA; and</li> <li>Options 1 and 2 can be used in relation to debt incurred before 1<sup>st</sup> April 2021. After that date only Options 3 and 4 may be used.</li> </ul> <p>The MRP Policy for 2023/24 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 1<sup>st</sup> April 2021. In relation to debt incurred before 1<sup>st</sup> April 2021 the MRP will be over 50 years, in relation to debt incurred after 1<sup>st</sup> 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 14<sup>th</sup> June 2016 the Council approved the MRP calculation for loans to NEW Homes as outlined in recommendation 3 above.</p>
	<p><b>Practical Considerations</b></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 January 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. This cash would otherwise have been invested at very low rates of return. External borrowing would also be at higher interest rates than any returns on cash invested. 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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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	The 2023/24 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.

<b>3.00</b>	<b>IMPACT ASSESSMENTS AND RISK MANAGEMENT</b>
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 style="padding-left: 40px;"><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 style="padding-left: 40px;"><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	<b>Ways of Working (Sustainable Development) Principles Impact</b>	
	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
	<b>Well-being Goals Impact</b>	
	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.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>	
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.	

<b>5.00</b>	<b>APPENDICES</b>
5.01	None

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

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

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<p><b>Capital Expenditure:</b> Expenditure on the acquisition of non-current assets or expenditure that extends the life or value of an existing asset</p> <p><b>Capital Financing Requirement (CFR):</b> 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><b>Council Fund (CF):</b> The fund to which all the Council’s revenue and capital expenditure is charged.</p> <p><b>Housing Revenue Account (HRA):</b> The fund to which all the Council’s revenue and capital expenditure relating to its housing stock is charged.</p> <p><b>Minimum Revenue Provision (MRP):</b> 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><b>Prudential Code:</b> 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><b>Revenue Expenditure:</b> All expenditure incurred by an authority that cannot be classified as capital expenditure</p> <p><b>Revenue Support Grant (RSG):</b> 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.

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# Eitem ar gyfer y Rhaglen 6



## CABINET

<b>Date of Meeting</b>	Thursday 23 <sup>rd</sup> February 2023
<b>Report Subject</b>	Treasury Management Strategy 2023/24 Treasury Management Policy Statement, Practices and Schedules 2023 to 2026
<b>Cabinet Member</b>	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Strategic

### EXECUTIVE SUMMARY

The report presents the draft Treasury Management Strategy 2023/24 for approval and recommendation to Council, in conjunction with:

- Draft Treasury Management Policy Statement 2023 to 2026
- Draft Treasury Management Practices and Schedules 2023 to 2026

The report was considered in detail by Governance and Audit Committee on 25<sup>th</sup> January 2023.

This report is supplemented by treasury management training that was provided for Members of the Council on 7<sup>th</sup> December 2022.

### RECOMMENDATIONS

1	Cabinet approves for recommendation to the Council the following documents: <ul style="list-style-type: none"><li>• Draft Treasury Management Strategy 2023/24</li><li>• Draft Treasury Management Policy Statement 2023 to 2026</li><li>• Draft Treasury Management Practices and Schedules 2023 to 2026</li></ul>
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## REPORT DETAILS

1.00	<b>EXPLAINING THE CHANGES TO THE POLICY STATEMENT, STRATEGY AND PRACTICES</b>
	<b><u>BACKGROUND</u></b>
1.01	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.
1.02	<p>In April 2019 the Council adopted the Chartered Institute of Public Finance and Accountancy's <i>Treasury Management in the Public Services: Code of Practice, 2017 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 Institute published a revised version of the CIPFA code in December 2021. The Council is requested to formally adopt the Treasury Management in the Public Services: Code of Practice 2021 edition. The CIPFA Code of Practice (2021 edition) requires:-</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• The Council to create and maintain suitable investment management practices (IMPs) for investments that are not for treasury management purposes, within the TMP's.</li> <li>• 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.</li> <li>• 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>.</li> </ul>

	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
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 <sup>st</sup> April 2020.
1.04	In preparation for approving the 2023/24 Treasury Management Strategy, training for all Members was held on 7 <sup>th</sup> December 2022. 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.
	<b><u>CONSIDERATIONS</u></b>
	<b>2023/24 Treasury Management Policy Statement, Strategy and Practices</b>
1.05	The main changes to the Code clarifies what constitutes prudential borrowing activities to help avoid authorities misinterpreting the Code's provisions. The Code includes clarification to better define commercial activity and investment, and a requirement to incorporate an assessment of risk against levels of resources. The Council were largely compliant with the revised Code.
1.06	The previous Treasury Management Policy Statement was approved by Council in February 2022 and covered the 3-year period from 2022 to 2025. Updates to IMP's in the new Code are included in the revised Treasury Management Policy 2023 to 2026 which is attached at Appendix 2. 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, the document will only be reported to Members during its lifetime in the event of any significant changes.
1.07	<p>The Treasury Management Practices (TMPs) and accompanying schedules to cover the 3-year period from 2022 to 2025 were approved by Council in February 2022. Updates to IMP's in the new Code are included in the revised TMPs for 2023 to 2026 which are attached as Appendices 3 and 4.</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"> <li>• TMP 1 Treasury risk management</li> </ul>

	<ul style="list-style-type: none"> <li>• TMP 2 Performance measurement</li> <li>• TMP 3 Decision-making and analysis</li> <li>• TMP 4 Approved instruments, methods and techniques</li> <li>• TMP 5 Organisation, clarity and segregation of responsibilities, and dealing arrangements</li> <li>• TMP 6 Reporting requirements and management information arrangements</li> <li>• TMP 7 Budgeting, accounting and audit arrangements</li> <li>• TMP 8 Cash and cash flow management</li> <li>• TMP 9 Money laundering</li> <li>• TMP 10 Staff training and qualifications</li> <li>• TMP 11 Use of external service providers</li> <li>• TMP 12 Corporate governance</li> </ul> <p>It was agreed that these operational documents will only be reported to Members during their lifetime in the event of any significant changes. Some changes have been made to bring the practices and schedules in line with the draft 2023/24 Strategy.</p>
	<p><b>Treasury Management Strategy 2023/24</b></p>
<p>1.08</p>	<p>The 2023/24 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>
<p>1.09</p>	<p>The main body of the 2023/24 Strategy has not changed significantly from that of the 2022/23 Strategy. Matters that merit the attention of Members are summarised below:</p> <ul style="list-style-type: none"> <li>• Section 2 – Economic context, provided by Arlingclose, highlights that the major external influences on the Strategy will be the ongoing war in Ukraine, together with higher inflation, higher interest rates, and a deteriorating economic outlook. The Bank of England (BoE) increased Bank Rate by 0.5% to 3.5% in December 2022. This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021. Arlingclose forecasts that Bank Rate will continue to rise in 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target. Gilt yields are expected to remain broadly at current levels over the medium-term, with 5, 10 and 20 year gilt yields expected to average around 3.5%, 3.5%, and 3.85% respectively over the 3-year period to December 2025 (the Council's borrowing costs are linked to gilt yields).</li> <li>• Section 4 – Local context. This section summarises the Council's anticipated treasury position in 2023/24. Activity in 2023/24 is expected to focus more on borrowing and less on investing as the Council's</li> </ul>

	<p>requirement to borrow is forecast to grow due to a planned increase in capital expenditure.</p> <ul style="list-style-type: none"> <li>Section 5 - Borrowing strategy. This section is largely a continuation of the 2022/23 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.</li> <li>Section 6 – Treasury Investment Strategy. Again, this section is largely a continuation of the Council’s 2022/23 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.</li> </ul>
1.10	The Governance and Audit Committee reviewed the draft Treasury Management Strategy, Policy and Practices at its meeting on 25 <sup>th</sup> January 2023. Questions raised at the Committee were all answered to members satisfaction. There were no issues raised by the Committee for Cabinet.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
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.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>										
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	<p>Ways of Working (Sustainable Development) Principles Impact</p> <table border="1"> <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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Prevention	No change										
Integration	No change										
Collaboration	No change										
Involvement	No change										
3.03	<p>Well-being Goals Impact</p> <table border="1"> <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> </table>	Prosperous Wales	No impact	Resilient Wales	No impact	Healthier Wales	No 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	No impact

<b>4.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
4.01	Arlingclose Ltd, being the Council's treasury management advisors.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<ol style="list-style-type: none"> <li>1. Draft Treasury Management Strategy 2023/24</li> <li>2. Draft Treasury Management Policy 2023 to 2026</li> <li>3. Draft Treasury Management Practices and Schedules 2023 to 2026 – part 1</li> <li>4. Draft Treasury Management Practices and Schedules 2023 to 2026 – part 2</li> </ol>

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

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Authorised Limit:</b> A statutory limit that sets the maximum level of external debt for the Council.</p> <p><b>Balances and Reserves:</b> 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><b>Bank Rate:</b> 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><b>Basis Point:</b> 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><b>Bond:</b> 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>



**Capital Expenditure:** Expenditure on the acquisition, creation or enhancement of capital assets.

**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.

**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.

**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.

**Corporate Bonds:** Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by 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 Her 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 3<sup>rd</sup> 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.



**FLINTSHIRE COUNTY COUNCIL**

**DRAFT**

**TREASURY MANAGEMENT  
STRATEGY**

**2023/24**

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# Treasury Management Strategy Report 2023/24

The Council is recommended to:

- Adopt CIPFA's Treasury Management in the Public Services: Code of Practice 2021 edition (the CIPFA Code)
- approve the Treasury Management Strategy for 2023/24
- approve the Treasury Management Indicators for 2023/24

## **1.0 Introduction**

In April 2019 the Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice, 2017 Edition* (the CIPFA Code) which requires the Council to approve a Treasury Management Strategy before the start of each financial year.

The Institute published a revised version of the CIPFA code in December 2021. The Council is requested to formally adopt the Treasury Management in the Public Services: Code of Practice 2021 edition.

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 2022**

**Economic background:** The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Authority's treasury management strategy for 2023/24.

The Bank of England (BoE) increased Bank Rate by 0.5% to 3.5% in December 2022. This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021. The December decision was voted for by a 6-3 majority of the Monetary Policy Committee (MPC), with two dissenters voting for a no-change at 3% and one for a larger rise of 0.75%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

CPI inflation is expected to have peaked at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.

The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%. Earnings were up strongly in nominal terms by 6.1% for both total pay and for regular pay but factoring in inflation means real pay for both measures was -2.7%. Looking forward, the November MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.

Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.5% in December 2022 to 4.25%-4.5%. This rise follows four successive 0.75% rises in a pace of tightening that has seen rates increase from 0.25%-0.50% in March 2022. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 3.2% (revised up from 2.9%) between July and September 2022, but with official interest rates expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.

Inflation rose consistently in the Euro Zone since the start of the year, hitting a peak annual rate of 10.6% in October 2022, before declining to 10.1% in November. Economic growth has been weakening with an upwardly revised expansion of 0.3% (from 0.2%) in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate



tightening cycle, pushing up its three key interest rates by 0.50% in December, following two consecutive 0.75% rises, taking its main refinancing rate to 2.5% and deposit facility rate to 2.0%.

**Credit outlook:** Credit default swap (CDS) prices have generally followed an upward trend throughout 2022, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.

CDS price volatility was higher in 2022 compared to 2021 and the divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities has emerged once again.

The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from to negative from stable.

There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.

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:** The Authority's treasury management adviser Arlingclose forecasts that Bank Rate will continue to rise in 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.

While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.

Yields are expected to remain broadly at current levels over the medium-term, with 5, 10 and 20 year gilt yields expected to average around 3.5%, 3.5%, and 3.85% respectively over the 3-year period to December 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. 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 2023	3.50	3.00	3.43	3.86	3.46
Q2 2023	4.00	4.40	3.60	3.85	3.60
Q3 2023	4.25	4.40	3.80	3.85	3.60
Q4 2023	4.25	4.40	3.80	3.85	3.60
Q1 2024	4.25	4.35	3.80	3.85	3.60
Q2 2024	4.25	4.30	3.70	3.85	3.60
Q3 2024	4.00	4.25	3.60	3.85	3.60
Q4 2024	3.75	4.00	3.50	3.85	3.60
Q1 2025	3.50	3.75	3.40	3.85	3.60
Q2 2025	3.25	3.50	3.30	3.85	3.60
Q3 2025	3.28	3.40	3.30	3.85	3.60

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 3.9%, and that new long-term loans will be borrowed at an average rate of 4.6%.

### **3.0 Current Treasury Portfolio**

The Council's treasury portfolio as at 31<sup>st</sup> December 2022 was as follows:

**Table 2: Current Treasury Portfolio**

	Principal £m	Interest rate %
<b>Investments:</b>		
Call accounts	1.0	0.80
Money market funds	17.4	3.28
Short-term deposits	10.0	3.34
Long-term deposits	0.0	n/a
<b>Total Investments</b>	<b>28.4</b>	
<b>Borrowing:</b>		
Short-term loans	0.0	n/a
Long-term PWLB loans (fixed)	268.4	4.60
Long-term market loans (LOBOs)	18.9	4.53
Other Government loans	4.4	0.00
<b>Total Borrowing</b>	<b>291.7</b>	
<b>Net Borrowing</b>	<b>263.3</b>	

#### **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**

	<b>31.3.22 Actual £m</b>	<b>31.3.23 Estimate £m</b>	<b>31.3.24 Estimate £m</b>	<b>31.3.25 Estimate £m</b>	<b>31.3.26 Estimate £m</b>
Council Fund Capital Financing Requirement (Borrowing only)	217	220	240	262	274
Housing Revenue Account Capital Financing Requirement (Borrowing only)	132	134	143	154	161
<b>Capital Financing Requirement (Borrowing only)</b>	<b>349</b>	<b>354</b>	<b>383</b>	<b>416</b>	<b>435</b>
Less: Current ST borrowing	(10)	(290)	(285)	(278)	(273)
Less: Current LT borrowing	(294)				
<b>Funding Required</b>	<b>45</b>	<b>64</b>	<b>98</b>	<b>138</b>	<b>162</b>
Less: Usable reserves	(109)	(78)	(59)	(52)	(49)
Adj: Working capital	14	10	10	10	10
<b>Investments / (New borrowing)</b>	<b>50</b>	<b>4</b>	<b>(49)</b>	<b>(96)</b>	<b>(123)</b>

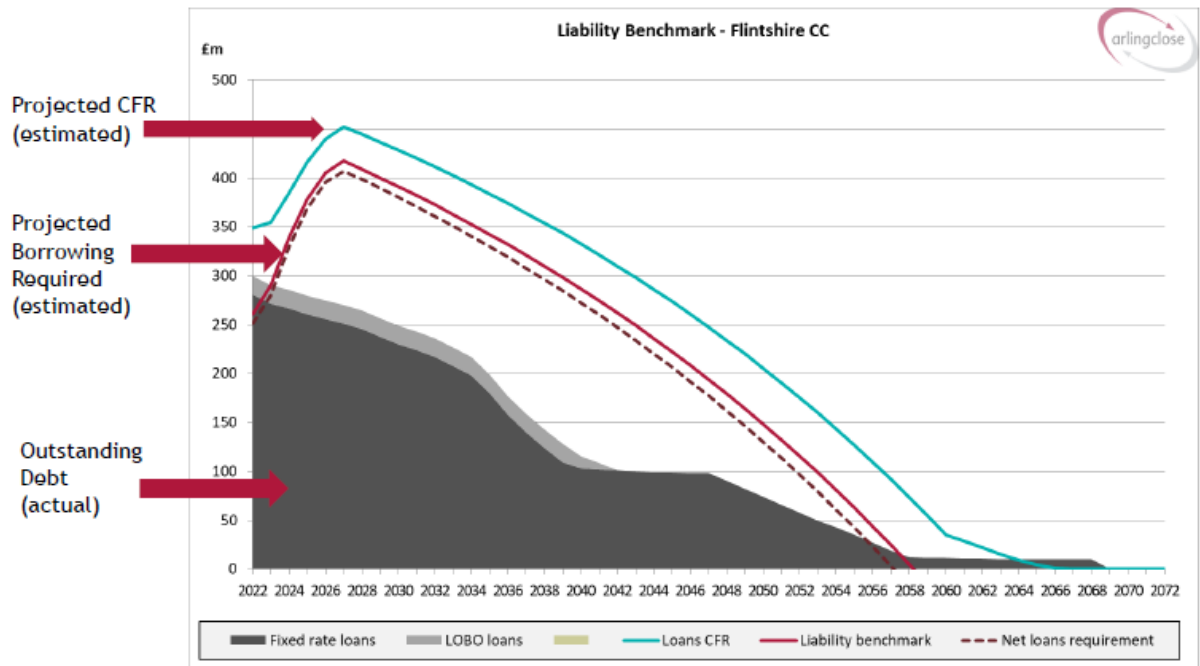
The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes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

Table 3 shows the Council's CFR increases during 2023/23, this is linked with the capital programme (examples of schemes funded by borrowing include the Sustainable Communities for Learning schools programme, redevelopment of Theatr Clwyd and the HRA capital programme, which includes building new social housing). The level of reserves the Council has is expected to fall in 2022/23 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 2022)**



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 2023/24, 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 2023/24 is £1.2m, based on an average investment portfolio of £30.4m at an average interest rate of 3.9%. The budget for interest on long-term loans in 2023/24 is £14.4m, based on long-term loans of £331m at an average interest rate of 4.55%. The budget for interest on short-term loans is £1.8m based on an average of the costs for the last 3 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 31<sup>st</sup> December 2022, the Council held £291.7m 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 2023/24.

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 2023/24 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. With short-term interest rates currently lower than long-term rates, it is likely to be more cost effective in the short-term to use internal resources and to borrow short-term 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 2023/24 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

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

### 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 2023/24, and with interest rates having risen recently, there is now a reasonable 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 31<sup>st</sup> December 2022, the Council held no 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 2023/24

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 31<sup>st</sup> December 2022.
- Effect any borrowing that may be required in 2023/24 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 £50.2m 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.

### 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 and 2020, 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
<b>Total non-specified investments</b>	<b>£7m</b>

## 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. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

<b>Interest rate risk indicator</b>	<b>2023/24 £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>
Upper limit on one-year revenue impact of a 1% rise in interest rates	0.114	0.166	0.213
Upper limit on one-year revenue impact of a 1% fall in interest rates	0.032	0.024	(0.023)

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:

	<b>Lower</b>	<b>Upper</b>
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	2023/24	2024/25	2025/26
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.

	2023/24	2024/25	2025/26
Operational boundary – borrowing	£383m	£419m	£439m
Operational boundary – other long-term liabilities	<u>£20m</u>	<u>£20m</u>	<u>£20m</u>
Operational boundary – TOTAL	£403m	£439m	£459m
Authorised limit – borrowing	£403m	£439m	£459m
Authorised limit – other long-term liabilities	<u>£35m</u>	<u>£35m</u>	<u>£35m</u>
Authorised limit – TOTAL	£438m	£474m	£494m

**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 is reviewing steps taken to ensure that those negotiating commercial 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 £438 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

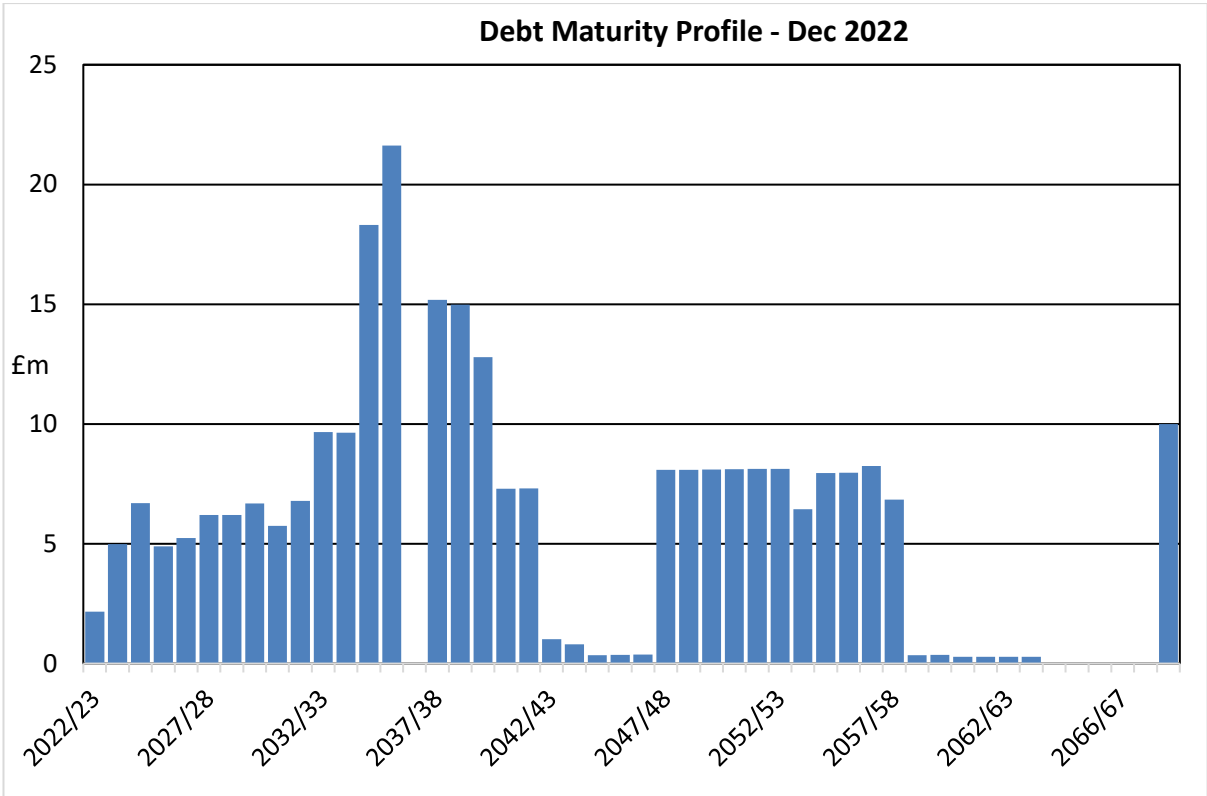
WG has set out its legal commitment to achieve net zero emissions by 2050 and work towards a net zero public sector in Wales by 2030. One of the Council's key priorities within the Council Plan is to become a net zero carbon Council by 2030. The Council has developed a Climate Change Strategy and action 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.

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
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**



## **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). Over a 5-year period 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 3<sup>rd</sup> 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**

<b>Borrower</b>	<b>Cash Limit</b>
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. The yield as a proportion of net revenue budget is less than 0.015%.

**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**

	31.3.2022 £m	31.3.2021 £m	31.3.2020 £m	31.3.2019 £m	31.3.2018 £m
Fair Value Inv. Properties	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**

	2021/22 Actual £m	2022/23 Budget £m	2023/24 Budget £m
Net Revenue Budget	297.457	326.682	346.251
Net Investment income	1.63	1.69	1.69
Proportion	0.55%	0.52%	0.49%



**FLINTSHIRE COUNTY COUNCIL**

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**TREASURY MANAGEMENT  
POLICY STATEMENT**

**2023 – 2026**

## **1.0 TREASURY MANAGEMENT POLICY STATEMENT**

The Council defines the policies and objectives of its treasury management activities as follows: -

- 1.1 "The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".
- 1.2 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.
- 1.3 The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, responsible investment, where possible and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
- 1.4 The Council greatly values revenue budget stability and will therefore borrow the majority of its long-term funding needs at long-term fixed rates of interest. Short-term and variable rate loans will only be borrowed to the extent that they either offset short-term and variable rate investments or can be shown to produce revenue savings.
- 1.5 The Council will set an affordable borrowing limit each year in compliance with the *Local Government Act 2003* and will have regard to the *CIPFA Prudential Code for Capital Finance in Local Authorities* when setting that limit. It will also set limits on its exposure to changes to interest rates and limits on the maturity structure of its borrowing in the treasury management strategy report each year.
- 1.6 The Council's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.
- 1.7 The Council will have regard to Welsh Government Guidance on Local Government Investments and will approve an investment strategy each year as part of the treasury management strategy. The strategy will set criteria to determine suitable organisations in which cash may be invested, limits on the maximum duration of such investments and limits on the amount of cash that may be invested with any one organisation.
- 1.8 The Council has adopted the 2021 edition of the Chartered Institute of Public Finance and Accountancy's Treasury Management in Public Services: Code of



Practice and its required clauses in section 2 below.

## **2.0 CLAUSES FORMALLY ADOPTED**

CIPFA recommends that all public service organisations adopt, as part of their formal policy documents the following four clauses.

- 2.01 The Council will create and maintain, as the cornerstones for effective treasury management:
- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
  - suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
  - investment management practices (IMPs) for investments that are not for treasury management purposes.

The content of the policy statement, TMPs and IMPs will follow the recommendations contained in the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

- 2.02 The Council will receive reports on its treasury and investment management policies, practices and activities, including, as a minimum, an annual strategy in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs and IMPs.
- 2.03 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 Chief Finance Officer, who will act in accordance with the Council's policy statement, TMPs and IMPs, CIPFA's Standard of Professional Practice on Treasury Management.
- 2.04 The Council nominates the Governance and Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

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# **TREASURY MANAGEMENT PRACTICES**

## **Part 1: Main Principles**

**2023 - 2026**

**Flintshire County Council**

## Treasury Management Practices 2023 – 2026

### TREASURY MANAGEMENT PRACTICES

Treasury Management Practices (TMPs) set out the manner in which the Council will seek to achieve its treasury and non-treasury management policies and objectives and how it will manage and control those activities.

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## **Treasury Management Practices 2023 – 2026**

### **TMP1 TREASURY RISK MANAGEMENT**

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures cover all external investments.

The Chief Finance Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect, all in accordance with the procedures set out in TMP6 reporting requirements and management information arrangements.

In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

#### **[1] Credit and counterparty risk management**

The Council will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments, methods and techniques and listed in the schedule to this document.

It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing or derivative arrangements.

The Council's credit and counterparty policies should set out its policy and practices relating to environmental, social and governance (ESG) investment considerations. This is a developing area, and it is not implied that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.

#### **[2] Liquidity risk management**

The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

The Council will not borrow earlier than required to meet cash flow needs unless there is a clear business case for doing so and will only do so for the current capital programme, to fund future debt maturities, or to ensure an adequate level of short-term investments to provide liquidity for the organisation.

#### **[3] Interest rate risk management**

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with

## **Treasury Management Practices 2023 – 2026**

TMP6 Reporting requirement and management information arrangements.

It will achieve this by the prudent use of its approved instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications. It will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs, and that the policy for the use of derivatives is clearly detailed in the annual strategy.

### **[4] Exchange rate risk management**

The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

### **[5] Inflation risk management**

The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole Council's inflation exposures.

### **[6] Refinancing risk management**

The Council will ensure that its borrowing and other long-term liabilities are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

### **[7] Legal and regulatory risk management**

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1.1 credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may affect with the Council, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on it.

## Treasury Management Practices 2023 – 2026

### **[8] Operational risk, including fraud, error and corruption**

The Council will ensure that it has identified the circumstances that may expose it to the risk of loss through inadequate or failed internal processes, people and systems or from external events. Accordingly, it will employ suitable systems and procedures and will maintain effective contingency management arrangements to these ends.

### **[9] Price risk management**

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests and will accordingly seek to protect itself from the effects of such fluctuations.

### **[10] Non-treasury investments**

Commercial Investments - Changes in tenant demand may impact the income levels. This will be identified through monthly budget monitoring.

Service Investments - 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*.

## **TMP2 PERFORMANCE MEASUREMENT**

The Council is committed to the pursuit of value for money in its treasury and non-treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury and non-treasury management functions will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury and non-treasury management function will be measured using the criteria set out in the schedule to this document. The criteria will include measures of effective treasury risk management and not only measures of financial performance (income or savings).

## **TMP3 DECISION-MAKING AND ANALYSIS**

The Council will maintain full records of its treasury and non-treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past and for accountability, e.g., demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule to this document.

### **TMP4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES**

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1, Risk management.

Where the Council intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury strategy. The Council will seek proper advice (to include that of its Treasury Management advisors) and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

The Council has reviewed its classification with financial institutions under MIFID II and has set out in the schedule to this document those organisations with which it is registered as a professional client and those with which it has an application outstanding to register as a professional client.

### **TMP5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS**

The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, and for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council is required, as a result of lack of resources or other circumstances, to depart from these principles, the Chief Finance Officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The Chief Finance Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangement for absence cover. The Chief Finance Officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule to this document.

The Chief Finance Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule to this document.

The delegations to the Chief Finance Officer in respect of treasury management are



## **Treasury Management Practices 2023 – 2026**

set out in the schedule to this document. The Chief Finance Officer will fulfil all such responsibilities in accordance with the Council's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

Non-treasury investments - 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. Arrangements for each investment as TMP3 above.

### **TMP6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS**

The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and the transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum:

The County Council will receive:

- An annual report on the strategy and plan to be pursued in the coming year
- A mid-year review
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the Council's treasury management policy statement and TMPs.

In addition to the above, the Governance and Audit Committee will receive regular monitoring reports on treasury management activities and risks. Governance and Audit Committee will also have responsibility for the scrutiny of treasury management policies and practices.

Treasury management indicators will be reported in the strategy report. The present arrangements and the form of these reports are detailed in the schedule to this document.

Non-treasury investments - Reported on a regular basis through the appropriate Committees cycles.

### **TMP7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

The Chief Finance Officer will prepare, and the Council will approve and, if necessary, from time to time amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at

## **Treasury Management Practices 2023 – 2026**

minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk management, TMP2 Performance measurement, and TMP4 Approved instruments, methods and techniques. The Chief Finance Officer will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with TMP6 Reporting requirements and management information arrangements.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

### **TMP8 CASH AND CASH FLOW MANAGEMENT**

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Chief Finance Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Chief Finance Officer will ensure that these are adequate for the purposes of monitoring compliance with TMP1 [2] liquidity risk management. The present arrangements for preparing cash flow projections, and their form, are set out in the schedule to this document.

### **TMP9 MONEY LAUNDERING**

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions and will ensure that staff involved in this are properly trained. The present arrangements are detailed in the schedule to this document.

### **TMP10 TRAINING AND QUALIFICATIONS**

The Council recognises the importance of ensuring that all staff involved in the treasury and non-treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Chief Finance Officer will recommend and implement the necessary arrangements.

The Chief Finance Officer will ensure that committee/council members tasked with treasury and non-treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the schedule to this document.

### **TMP11 USE OF EXTERNAL SERVICE PROVIDERS**

The Council recognises that responsibility for treasury management decisions remains with it at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Chief Finance Officer, and details of the current arrangements are set out in the schedule to this document.

### **TMP12 CORPORATE GOVERNANCE**

The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key principles of the Code. This, together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Chief Finance Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

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# **TREASURY MANAGEMENT PRACTICES**

## **Part 2: Schedules**

**2023 - 2026**

**Flintshire County Council**

## Treasury Management Practice Schedules 2023 - 2026

### TREASURY MANAGEMENT PRACTICES - SCHEDULES

This section contains the schedules which set out the details of how the Treasury Management Practices (TMPs) are put into effect by the Council

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### TREASURY MANAGEMENT DEFINITIONS

Treasury Management is defined by CIPFA as

‘The management of the Council’s borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.’

‘Investments’ covers all the financial assets of the Council, as well as other non-financial assets which the Council holds primarily or partially to generate a profit, including but not limited to commercial property. Investments will be categorised in accordance with the primary purpose of the investment.

- Treasury management investments are those investments that arise from the Council’s cash flows or treasury risk management activity and ultimately represent balances that need to be invested until the cash is required for use in the course of business.
- Service investments are those held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services. They may or may not involve financial returns.
- Commercial investments are those held primarily for financial return and are not linked to treasury management activity or directly part of delivering services.

Service and commercial investments assets are not managed as part of the Council’s normal treasury management or under treasury management delegations, but they nonetheless require appropriate investment and risk management under the Code; separate Investment Management Practices (IMPs) are therefore included in this document, specific to these investments.

### TMP1 RISK MANAGEMENT

#### 1 Credit & Counterparty Policies

1. Criteria to be used for creating/managing approved counterparty lists/limits -
  - The Chief Finance Officer will formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties and shall construct a lending list comprising time, type, sector and specific counterparty limits.
  - Treasury management staff will add or delete counterparties to/from the approved counterparty list in line with the policy on criteria for selection of counterparties. The complete list is available in the Technical Accountancy Section. It should be noted that not all of these

## Treasury Management Practice Schedules 2023 - 2026

counterparties will be used. This depends on whether they are in the market at the time of investment and whether they are offering competitive rates.

- The Council will use credit criteria in order to select creditworthy counterparties for placing investments.
- Credit ratings will be used as supplied from a selection of credit rating agencies.
- The minimum level of credit rating for an approved counterparty will be as follows: -

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

A definition of the ratings can be found in Appendix A.

**\* 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



## Treasury Management Practice Schedules 2023 - 2026

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 Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). 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:** 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

## Treasury Management Practice Schedules 2023 - 2026

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.

### 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.

## Treasury Management Practice Schedules 2023 - 2026

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

### 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.

#### 2. Approved methodology for changing limits and adding/removing counterparties

Credit ratings for individual counterparties can change at any time. The Chief Finance Officer is responsible for applying the stated credit rating criteria in 1.1 for selecting approved counterparties and will add or delete counterparties as appropriate to / from the approved counterparty list when there is a change in the credit ratings of individual counterparties or in banking structures e.g., on mergers or take-overs. The Chief Finance Officer will also adjust lending limits and periods when there is a change in the credit ratings of individual counterparties or in banking structures e.g., on mergers or take-overs in accordance with the criteria in 1.1.

#### 3. Details of Credit Rating Agencies' services or other services which provide current credit ratings and updates on changes.

- Ratings from Fitch, Moody's or Standard & Poor's are updated monthly by the Council's treasury management adviser; however, they will provide immediate notification of any changes which affect Flintshire County Council counterparties. If a counterparty no longer meets the investment criteria, no further investments will be made with that counterparty and consideration will be given to recalling the monies. If a counterparty is being reviewed for a possible downgrade outside the criteria no more investments will be made.
- The Council's treasury management adviser will also inform the Chief Finance Officer of any other market information that they have (e.g., Credit Default Swap prices, news reports and opinion, balance sheet analysis in the absence of credit ratings) which may require credit ratings to be overridden and no further investment to be made with that counterparty.

#### 4. Environmental, Social & Governance (ESG) Policy

The Council is committed to invest responsibly. As such when investing, we will consider environmental, social and governance factors alongside the financial factors. Where possible ESG investments will be maximised. However,

## Treasury Management Practice Schedules 2023 - 2026

security, liquidity and yield will still be prioritised and investments must still be diversified.

### 1.2 Liquidity

#### 1. Amounts of approved minimum cash balances and short-term investments

- The Council manages its cash balances on a daily basis, dependent upon cash flow demands. The objective is to achieve a zero cash balance each day unless it is uneconomic to do so (e.g., it may cost more to send an investment to a counterparty and recall the next day than to keep the funds in the account overnight to cover the following days payments). Otherwise, a zero balance will be achieved as far as possible by means of temporary investments, borrowing or use of call accounts. Temporary investments are cash flow driven with the objective of ensuring that future temporary borrowing is minimised.

#### 2. Details of:

- Standby facilities - short-term borrowing undertaken.
- Short-term borrowing facilities - short term borrowing will be arranged for any overdrawn balance through the money market if no call money is available.
- Insurance/guarantee facilities - not required.
- Other contingency arrangements - negotiations with the Council's bankers.
- Call accounts and money market funds (subject to ratings and sector limits).

### 1.3 Interest Rate

#### 1. Details of approved interest rate exposure limits

A fall in interest rates is beneficial for variable rate debt and short-term borrowing which needs to be refinanced, but not for variable rate investments. Conversely, a rise in interest rates is beneficial for short-term investments which can be reinvested at higher rates but will be a cost for variable rate borrowing or short-term borrowing which needs to be refinanced.

The Council sets an Interest Rate Risk indicator as part of its Treasury Management Strategy to control exposure to interest rate risk. This is set as-

Interest rate risk indicator	2023/24 £m	2024/25 £m	2025/26 £m
Upper limit on one-year revenue impact of a 1% rise in interest rates	0.114	0.166	0.213
Upper limit on one-year revenue impact of a 1% fall in interest rates	0.032	0.024	(0.023)

#### 2. Trigger points and other guidelines for managing changes to interest rate levels

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- This is monitored in conjunction with the Council's treasury advisers through the London money market on a daily basis.
- The management of a balanced investment portfolio which retains a mix of long-term investments (fixed rate) and shorter term (variable rate) investments which are variable to protect against interest risk.

### 1.4 Exchange Rate

Approved criteria for managing changes in exchange rate levels -

- The Council does not make payments or receive foreign currency in sufficient levels that warrant currency management e.g., hedging

### 1.5 Inflation

Guidelines for managing changes to inflation rate levels

- This is monitored in conjunction with the Council's treasury advisers through monthly economic updates.

### 1.6 Refinancing

1. Debt/other capital financing maturity profiling, policies and practices.
  - To 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.
2. Projected capital investment requirements.
  - The borrowing requirement is determined as part of the Capital Programme.
3. Policy concerning limits on revenue consequences of capital financing.
  - This is part of the ongoing budget monitoring process
4. Policy where the Council provides financial guarantees to third parties.
  - These are recorded and regularly reassessed as to the probability they will be called upon.
5. To assist with long-term borrowing decision making the Council creates, with advice and assistance from its treasury advisor, a 'Liability Benchmark' [LB] which is the lowest risk level of borrowing. The LB is an important tool which takes into account maturing loans and 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.

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The LB is represented as a graph in the annual treasury management strategy. It will be updated regularly through the year by the Council in conjunction with the treasury management advisors with developments and/or timing changes in the capital programme as well as changes to balance sheet resources.

Based on the output of the Liability Benchmark and the Council's outlook on interest rates, any longer-term borrowing will be undertaken in accordance with the Code and will comply with the Council's Prudential Indicators and the Annual Treasury Management Strategy.

6. The Council's debt portfolio includes loans borrowed on a Lender's Option Borrower's Option (LOBO) basis.

The call dates for each LOBO loan are referenced to the LOBO documentation.

Prior to each call date, the Council will evaluate alternative funding sources for comparable interest rates/maturities.

If the Lender exercises the call option (directly or via the broker) for a revision to the terms of the loan, the Council will thoroughly evaluate the new terms and additionally seek advice from the Council's advisor.

It is important to remain within the timescale for the Council to exercise its option should the call be made, but not be rushed into a decision.

### 1.7 Legal & Regulatory

References to relevant statutes and regulations

- Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Chief Finance Officer to be satisfied, by reference to the Monitoring Officer, the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach statute, external regulations or the Council's Financial Procedures.
- The Council's legal powers and regulatory requirements come from –
  - ❖ Local Government Act 2003 [http://www.opsi.gov.uk/acts/acts2003/pdf/ukpga\\_20030026\\_en.pdf](http://www.opsi.gov.uk/acts/acts2003/pdf/ukpga_20030026_en.pdf)
  - ❖ Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (and subsequent amending regulations) [http://www.opsi.gov.uk/legislation/wales/wsi2003/wsi\\_20033239\\_en.pdf](http://www.opsi.gov.uk/legislation/wales/wsi2003/wsi_20033239_en.pdf)
  - ❖ Welsh Government "Guidance on Local Government Investments" <https://gov.wales/local-government-investments-guidance>
  - ❖ CIPFA "Treasury Management in the Public Services Code of Practice"
  - ❖ CIPFA "Prudential Code for Capital Finance in Local Authorities"

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Hard copies are available in Technical Accountancy.

### 1.8 Fraud, error and corruption, and contingency management

1. Details of systems and procedures to be followed, including internet services.
  - These are documented in the Treasury Management Operational Guidelines.
2. Emergency and contingency planning arrangements
  - The Council's treasury management processes are fully digital. Principal Accountants and Strategy Finance Managers have Council issued iPads allowing treasury management to be done anywhere with internet connection.
3. Fraud, Error & Corruption.
  - There is a system of internal control in place to prevent and identify fraud and error.
  - Any issue identified will be immediately reported to the Chief Finance Officer and Head of Internal Audit and subsequently to Governance and Audit Committee and Council.

### 1.9 Market Value of Investments

Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (Government Issue Long Term Stock - GILTS, Certificates of Deposit - CDs, etc.)

- No limits are set, current criteria for these investments does not allow exposure to high fluctuations in value.
- 

### 1.10 Non-treasury investments

- Commercial Investments - The profit generated by investment activity makes a small contribution to achieving a balanced revenue budget. In comparison to the net revenue budget, investment income is less than 0.5% as a proportion. 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. Changes in tenant demand may impact the income levels. This will be identified through monthly budget monitoring.
- Service Investments - 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

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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.

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.

### TMP2 PERFORMANCE MEASUREMENT

#### 2.1 Performance Measurement

1. In the annual Treasury Management Outturn Report, investment and borrowing rates are analysed against the budget and previous year's data.
2. Health checks are undertaken by the Council's treasury management advisers.

#### 2.2 Value for Money

Frequency for reviewing and tendering for the following services:

- Banking services - tendered every 5 years.
- Money-broking services - annual review.
- Treasury adviser's services – tendered every 3 years.
- External Cash Managers - none currently employed but this will be analysed as part of a continuous review.

#### 2.3 Methods to be employed for measuring the performance of the Council's Treasury Management activities

1. The Chief Finance Officer will receive a monthly update on treasury management from the Strategic Finance Manager – Capital, Technical and Financial Systems.
2. The performance of treasury management will be reported quarterly to the Governance and Audit Committee and then to Cabinet and Council in the Mid-year Report and Annual Outturn Report using the performance measures outlined in 2.1.
3. Non-treasury investments - for both commercial and service investments:
  - Regular fair value assessments
  - Performance reported through monthly budget monitoring
  - Ongoing repairs so that value and income are maintained



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### TMP3 DECISION-MAKING AND ANALYSIS

#### 3.1 Funding, borrowing, lending and new instruments/techniques:

1. Records to be kept:

- These are documented in the Treasury Management Operational Guidelines. All records are kept on-line to provide a full audit trail for all treasury decisions.

2. Processes to be pursued:

- All reports on treasury management issues are submitted to the Chief Finance Officer for decision making

3. Issues to be addressed:

- In respect of every decision made the Council will:
  - a. Above all be clear about the nature and extent of the risks to which the Council may become exposed
  - b. Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
  - c. Be content that the documentation is adequate both to deliver the Council's objectives and protect its interests, and to deliver good housekeeping
  - d. Ensure that third parties are judged satisfactory in the context of the Council's creditworthiness policies, and that limits have not been exceeded
  - e. Be content that the terms of any transactions have been fully checked against the market and have been found to be competitive.
- In respect of borrowing and other funding decisions, the Council will:
  - a. Evaluate the economic and market factors that might influence the manner and timing of any decision to fund.
  - b. Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships.
  - c. Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.
  - d. Consider the ongoing revenue liabilities created, and the implications for the Council's future plans and budgets.
- In respect of investment decisions, the Council will:
  - a. Consider the optimum period, in the light of cash flow availability and prevailing market conditions.
  - b. Consider the alternative investment products and techniques

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available, especially the implications of using any which may expose the Council to changes in the value of its capital.

4. Considerations to be made before each temporary borrowing and investment decision.
  - Borrowing
    - a. Are funds available in call accounts?
    - b. Arrange temporary borrowing through a broker for the shortest period of time at the lowest rate of interest available.
  - Investing
    - a. Establish funds available to be invested
    - b. Establish a maturity date using cash flow.
    - c. Using the Ratings spreadsheet – Headroom available with each counterparty
    - d. Check the credit ratings and other market information available for the chosen counterparty.
    - e. Use a broker to find the highest rate of interest for the requirements above
    - f. If after the above, funds still cannot be placed and call accounts and money market funds are full, then invest with Debt Management Office (DMO).
5. The 2021 Prudential Code is clear that in order to comply with this Code, an authority must not borrow to invest primarily for financial return.

It is not prudent for the Council to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the Council's functions and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.

The Statutory Guidance of Local Authority Investments in Wales 2019 considers that borrowing in advance of need purely to profit from the investment of the extra sums borrowed is against the principles in the statutory framework. If the Council chooses not to comply with this principle in order to invest in property or other financial assets for commercial return, then the Council must make additional disclosures about the reasons for doing so.

6. Liability benchmark [LB]: The Liability Benchmark is a long-term measure of the underlying need to borrow for all purposes over the long term and is based on its current capital programme and other forecast cash flow movements.

It is a tool to compare the current loans portfolio against the current and planned need to borrow, in terms of both the level and term of borrowing. It indicates whether long term borrowing (or long term investments, if the Council is a net

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investor) are more appropriate.

The LB an important borrowing risk management measure and will be inclusive in the decision-making process so as to prevent over-borrowing; it will also therefore form part of the Council's audit trail justifying long-term borrowing decisions.

To determine future years' debt requirement or, conversely, monies available for longer-term investment, the Council will estimate and measure the LB for the full debt maturity profile. It is presented as a chart of four balances:

- the Council's current and projected Loans CFR and MRP
- existing loan debt (does not include forecast debt),
- net loans requirement, taking into account balance sheet resources
- liability benchmark, which also takes into account the Council's required liquidity allowance.

The LB is analysed as part of the annual treasury management strategy.

Any years where actual loans are less than the benchmark indicate a future borrowing requirement; any years where actual loans outstanding exceed the benchmark represent an overborrowed position, which will result in excess cash requiring investment.

Our treasury advisor Arlingclose provides the Council with an online live tool (using Microsoft Teams) to assist with the preparation and regular updating of this important treasury management indicator.

### 6. Non-treasury investments - for each individual investment:

- A business case is produced and is taken through the required approval process
- Due diligence is performed and professional advice taken, where necessary
- The duration of any borrowing required is determined based on a scheme appraisal and / or the expected asset life

## TMP4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

### 4.1 Approved activities of the treasury management operation

All borrowing is undertaken in accordance with the Local Government Act 2003 section 1 and all investments undertaken in accordance with section 12.

The approved activities are:

- borrowing.
- lending.
- debt repayment and rescheduling.

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- consideration, approval and use of new financial instruments and treasury management techniques.
- managing the underlying risk associated with the Council's capital financing and surplus funds activities.
- managing cash flow.
- banking activities.
- leasing.

### 4.2 Approved Instruments for 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
- 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

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

- leases
- hire purchase
- Private Finance Initiative
- sale and leaseback
- WG Mutual Investment Model

### 4.3 Approved Instruments for Investments

The annual Treasury Management Strategy provides details of specified and non-specified investments and the maximum limits for each, as is required under Guidance issued by the Welsh Government. The approved investment instruments are -

- Fixed term deposits
- Certificates of Deposit
- Bank accounts (Instant Access & Notice Accounts)
- Pooled Investment Vehicles (Such as money market funds)
- U.K. Treasury Bills
- Loans
- Bonds
- Reverse Repurchase Agreements
- Commercial Papers

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### 4.4 Approved Techniques

- Forward dealing up to 364 days.
- Callable deposits.

### 4.5 Approved methods and sources of raising capital finance

Finance will only be raised in accordance with the Prudential Code for Capital Finance, and within this limit the Council has a number of approved methods and sources of raising capital finance. These are:

#### **On Balance Sheet**

Public Works Loan Board (PWLB)  
European Investment Bank (EIB)  
Local authorities  
Banks  
Building societies  
Pension funds  
Stock issues  
Negotiable Bonds  
Internal sources (capital receipts & revenue balances)  
Sterling commercial paper  
Sterling medium term notes  
Leases

#### **Off Balance Sheet**

Deferred Purchase

#### **Other Methods of Financing**

Government and EC Capital Grants  
Lottery monies  
Private Finance Initiative (PFI)  
WG Mutual Investment Model

All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Chief Finance Officer has delegated powers through this Policy and the Strategy to take the most appropriate form of borrowing from approved sources.

### 4.6 Register of financial institutions who have approved the Council as “professional clients” under the provisions of MiFID II

<b>Financial Institution:</b>	<b>Relationship with the Council:</b>
Arlingclose Limited	Treasury management advisors
Martin Brokers Ltd	Broker
Tradition (UK) Ltd	Broker
ICAP plc	Broker
Tullet Prebon (UK) Ltd	Broker
Imperial Treasury Services	Broker

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BGC Partners	Broker
King & Shaxson Limited	Broker & Custodians
Institutional Cash Distributors (ICD)	Money market funds
Federated Investors (UK) LLP	Money market funds
Aberdeen/Standard Life	Money market funds
Insight Investment	Money market funds
Coventry Building Society	Building society

- 4.7** Financial derivatives: (Councils) 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 Election (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.

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.

## TMP5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

### 5.1 Limits to responsibilities/discretion at committee/Cabinet levels

#### 1. County Council

The Council is responsible for: -

- Receiving and reviewing reports on treasury management policies, practices and activities.
- Approval of annual Policy and Strategy.
- Approval of/amendments to the Council's adopted clauses, Treasury Management Policy and Strategy.
- Budget consideration and approval.
- Approval of the division of responsibilities.

#### 2. Cabinet

The Cabinet is responsible for:

- Receiving reports from the Chief Finance Officer informed by the deliberations of the Governance and Audit Committee on the

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implementation and regular monitoring of its Treasury Management Policy, Strategy and Practices.

- Consideration of Treasury Policy and Strategy for approval by Council.

### 3. Governance and Audit Committee

The Governance and Audit Committee is responsible for –

- Reviewing the Treasury Management Policy and Practices and making recommendations to Cabinet.
- Receiving and reviewing regular monitoring reports.

### 5.2 Principles and practices concerning segregation of duties

<b>Procedure</b>	<b>Regular</b>	<b>Trained in Absence</b>
Cash balances	Accounting Technician	Accounting Technician/Technical Principal Accountant/FSO
Dealing and limit calculations	Accounting Technician	Accounting Technician/Technical Principal Accountant/FSO
Logotech	Accounting Technician	Accounting Technician/Technical Principal Accountant/FSO
Dealing check	Accounting Technician	Accounting Technician/Technical Principal Accountant/FSO
Dealing authorisation	6 Authorised Bank Signatories - Corporate Finance Manager, 5 Strategic Finance Managers	
Funds transfer operators	Finance Support Officer (FSO)	4 Accounting Technicians/Technical Principal Accountant
Funds transfer approval	6 Principal Accountants	
Bankline system administrators	Principal Accountant (Systems)	Accounting Technician

### 5.3 Statement of duties/responsibilities of each Treasury post

#### 1. Chief Finance Officer

- Recommending clauses, Treasury Management Policy/Practices for approval, reviewing the same regularly, and monitoring compliance.
- Submitting regular Treasury Management Policy and Strategy reports.

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- Submitting budgets and budget variations.
- Receiving and reviewing management information reports.
- Reviewing the performance of the treasury management.
- Ensuring the adequacy of treasury management resources and skills and the effective division of responsibilities within the treasury management function.
- Ensuring the adequacy of internal audit and liaising with external audit.
- Approving the selection of external service providers (within the Council's Contract Procedure Rules) and agreeing terms of appointment.

### 2. Strategic Finance Manager - Capital, Technical and Financial Systems

- To deputise for the Chief Finance Officer.
- To advise the Chief Finance Officer in the discharge of his/her duties.
- Regularly review the Treasury Management function.
- Submitting management information reports to the Chief Finance Officer.
- Drafting reports for Governance and Audit Committee, Cabinet and Council.
- Review a monthly report from the Technical Principal Accountant on the performance of the Treasury Management function.

### 3. Technical Principal Accountant

- Supervise treasury management staff.
- Review the draft report on the performance of the Treasury Management function.
- Identify and recommend opportunities for improved practices.
- Ensure that the day-to-day activities accord with the Treasury Management Policy Statement and Practices.

### 4. Accounting Technician

- Execution of transactions.
- Adhere to agreed policies and practices on a day-to-day basis.
- Maintain relationships with counterparties and external service providers.
- Draft reports for Governance and Audit Committee, Cabinet and Council.
- Produce cash flow projections and monitor performance.
- Report on the performance of the Treasury Management function.

### 5. Other Officers

- To deputise as necessary for the above posts, adhering to their duties and responsibilities.

#### 5.4 Dealing Limits



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As outlined in 1 - Credit and Counterparty Policies

### 5.5 List of Approved Brokers

Six approved brokers are currently used by the Council (see 11.2).

- ICAP Limited
- Martin Brokers (UK) Plc
- Prebon Marshall Yamane (UK) Limited
- Tradition (UK) Ltd
- Imperial Treasury Services
- BGC Sterling

### 5.6 Policy on Brokers' Services

Reviewed annually.

### 5.7 Policy on taping conversations

No conversations are currently taped

### 5.8 Direct Dealing Practices

This is undertaken as and when required to maximise investment return

### 5.9 Settlement transmission procedures

Standard Settlement Instructions

### 5.10 Documentation Requirements

- Flintshire CC Treasury Management Policy Statement.
- Flintshire CC Treasury Management Annual Strategy.
- Flintshire CC Treasury Management Annual Outturn Report.
- Flintshire CC Treasury Management Mid-Year Report
- Treasury Management Health checks.
- Loans and Treasury Management System Manual (LOGOTECH).
- Cash Flow Statement (LOGOTECH).
- Money Market Dealing Form.
- Loans and Investments Outstanding / Limit Calculations.
- List of Brokers and Telephone Numbers.
- Approved Counterparties (Regular update from TM Advisers).
- Arlingclose Consultancy Services Correspondence (TM Advisers).
- Treasury Management Operational Guidelines.
- Treasury Management (Long Term Borrowing) Operational Guidelines.
- Treasury Management Procedures

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### 5.11 Arrangements concerning the management of third-party funds.

Third party funds are included in the net daily bank balance and the funds are utilised by the Council on that basis. Interest is paid as follows -

- Insurance Fund – average seven-day rate, annually.

### 5.12 Non-treasury investments

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.

Arrangements for each investment as TMP3 above.

## TMP6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

### 6.1 Annual Treasury Management Strategy Statement

1. The Treasury Management Strategy sets out the specific expected treasury activities for the forthcoming financial year. This Strategy will be scrutinised by Governance and Audit Committee, submitted to the Cabinet and then to the County Council Committee for approval before the commencement of each financial year.
2. The formulation of the annual Treasury Management Strategy involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, the Council may decide to postpone borrowing if fixed interest rates are expected to fall or borrow early if fixed interest rates are expected to rise.
3. The Treasury Management Strategy is concerned with the following elements:
  - the prospects for interest rates.
  - the limits placed by the Council on treasury activities
  - the expected borrowing strategy.
  - the expected investment strategy.
  - the expectations for debt rescheduling.
  - any extraordinary treasury issues.
  - Treasury Management Indicators.
4. The Treasury Management Strategy will establish the expected move in interest rates (using all available information such as published interest rate forecasts where applicable).

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### 6.2 Prudential Code for Capital Finance

1. In accordance with legislation, the Council is required to approve key indicators and limits for the Prudential Code for Capital Finance. These are listed below and reported in the Prudential Indicators Report.

- Capital expenditure
- Capital financing requirement (CFR)
- Authorised Limit and Operational boundary
- Gross debt and the CFR
- Financing costs to net revenue stream
- Net income from commercial and service investments to net revenue stream

The following are within the Treasury Management Code.

- Liability benchmark (from 2023/24)
  - Maturity structure of borrowing
  - Long-term treasury management investments Upper limit on fixed interest rate exposures
  - Upper and lower limits for maturity structure of borrowing
  - Limit for principal sums invested for periods longer than 364 days
2. The Chief Finance Officer is responsible for putting forward for approval the relevant limits for the Treasury Management Code into the annual Treasury Management Strategy, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the Chief Finance Officer shall submit the changes for scrutiny by the Governance and Audit Committee and recommendation by the Cabinet before submission to County Council for approval.

### 6.3 Annual Investment Strategy

The Welsh Government requires the documentation of an Annual Investment Strategy including the following:

- Specified Investments – Investments offering high security and liquidity
- Non-specified Investments – Investments with greater potential risk
- Investments which can be prudently committed for longer than 1 year.
- Credit Risk Assessment.
- Use of Investment Consultants.
- Investment Training.
- Investment money borrowed in advance of need.

### 6.4 Annual Report on Treasury Management Activity

An annual report will be presented to the Governance and Audit Committee, Cabinet and then the County Council at the earliest practicable meeting after the end of the financial year. This report will include the following: -

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- a comprehensive picture for the financial year of all treasury policies, plans, activities and results
- transactions executed and their revenue (current) effects
- report on risk implications of decisions taken and transactions executed
- monitoring of compliance with approved policy, practices and statutory / regulatory requirements
- monitoring of compliance with powers delegated to officers
- degree of compliance with the original strategy and explanation of deviations
- explanation of future impact of decisions taken on the Council
- measurements of performance
- report on compliance with CIPFA Code recommendations

The report will be subject to review by the Governance and Audit Committee.

### 6.5 Mid-Year Review

A mid-year report will be presented to the Governance and Audit Committee, Cabinet and County Council, which will include the following:

- activities undertaken
- variations (if any) from agreed policies/practices
- interim performance report
- regular monitoring
- monitoring of treasury management indicators for local authorities.

The report will be subject to review by the Governance and Audit Committee

### 6.6 Management Information Reports

The Technical Principal Accountant will report management information to the Strategic Finance Manager - Capital, Technical and Financial Systems monthly for review. The Strategic Finance Manager will report monthly to the Chief Finance Officer.

### 6.7 Presentation of Reports

As a minimum:

The County Council will receive:

- An annual report on the strategy and plan to be pursued in the coming year
- A mid-year review
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the Council's Treasury Management Policy Statement and TMPs.

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In addition to the above, the Governance and Audit Committee and Cabinet will receive regular monitoring reports on treasury management activities and risks. Governance and Audit Committee will also have responsibility for the scrutiny of treasury management policies and practices.

Treasury Management Indicators will be reported in the strategy.

### **6.8 Non-treasury investments**

- Commercial investments - Proportionality of forecasted income against net revenue budget is reported regularly.

Income generated from commercial investments monitored on a monthly basis and any significant variances reported through monthly budget monitoring, with any on-going pressures or efficiencies fed through to the MTFs.

- Service Investments - Reported annually to Cabinet.

## **TMP7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

### **7.1 Statutory/ Regulatory Requirements**

The treasury management part of the statement of accounts has been prepared in accordance with the accounting policies applicable to local authorities.

### **7.2 Accounting Practices and Standards**

The accounts are prepared in accordance with the CIPFA Treasury Management in the Public Sector Code of Practice, supported by guidance notes on the application of accounting standards.

### **7.3 Budget Monitoring**

The budget for treasury management activities is monitored on a monthly basis through the Central Loans and Investment Account (CLIA).

## **TMP8 CASH AND CASH FLOW MANAGEMENT**

### **8.1 Arrangements for preparing/submitting cash flow statements**

Annual cash flow prepared before the start of the financial year and updated throughout the year.

### **8.2 Content and frequency of cash flow budgets**

All known cash flow factors are included for the coming financial year.

### 8.3 Listing of sources of information

Correspondence from external organisations and internal departments, together with various information extracted from the Annual Budget Book.

External –

- Welsh Government
- North Wales Police
- North Wales Fire Authority

Internal –

- Payroll
- Pensions
- Council Tax
- Creditors

### 8.4 Bank statement procedures

All bank statement information is obtained electronically from the NatWest Bankline website.

### 8.5 Procedures for banking of funds

All day-to-day treasury management transactions are paid and received by the Clearing House Automated Payments System (CHAPS).

### 8.6 Cash Flow Management

Arrangements as detailed in section 3.1.4

### 8.7 Debtors and Creditors

Debtors and creditors are monitored so that any significant moves can be prepared for. Creditors provide warning of payments 2 days in advance.

### 8.8 Liability Benchmark

The LB is helps establish whether the Council is likely to be a long-term borrower or long-term investor in the future and 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 to manage day-to-day cash flow.

The LB will be updated regularly through the year by the Council with developments and/or timing changes in the capital programme as well as changes to balance sheet resources.

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### TMP9 MONEY LAUNDERING

#### 9.1 Procedures for establishing identity/authenticity of Lenders

1. The Council does not accept loans from individuals. All loans are obtained from the PWLB or from authorised institutions on the FCA Register which is a public record of financial service firms, individuals and other bodies which fall under its regulatory jurisdiction as defined in the Financial Services & Markets Act 2000 (FSMA). This Act came into force on 1<sup>st</sup> December 2001.
2. Any borrowing undertaken from the money markets is through money brokers, who are also authorised and regulated by the Financial Conduct Authority. This adds a further layer of protection as the broker vets the institutions involved in any transactions.
3. Appropriate consideration will be given to identify and verify SMEs when undertaking any lending to SMEs.

### TMP10 TRAINING AND QUALIFICATIONS

#### 10.1 Details of approved training courses

1. Reviewed as part of the annual employee appraisal process. The Council's treasury advisers also provide training on treasury issues to staff when required.

#### 10.2 Records of training received by Treasury staff

All training is recorded on a departmental database.

#### 10.3 Approved qualifications for Treasury staff

All treasury officers are qualified to Association of Accounting Technicians level as a minimum.

#### 10.4 Training of Members

Governance and Audit Committee Members will receive a quarterly treasury management report and training will be given as required. Other Members will be invited to attend training and receive treasury reports as outlined in these practices.

#### 10.5 Statement of Professional Practice (SOPP)

1. Where the Chief Finance Officer is a member of CIPFA, there is a professional need for the Chief Finance Officer to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.
2. Other staff involved in treasury management activities who are members of

## Treasury Management Practice Schedules 2023 - 2026

CIPFA must also comply with the SOPP.

### 10.6 Non-treasury investments

The Council employs qualified property, legal and finance officers to manage activity and provide advice within their respective disciplines. Specialist external advisors will be engaged where appropriate.

## TMP11 USE OF EXTERNAL SERVICE PROVIDERS

### 11.1 Details of contracts with Service Providers, including Bankers, Brokers, Consultants & Advisers

#### 1. Banking services:

- National Westminster Bank Plc
- Contract commenced January 2020 to run for 5 years
- Cost of core service - £33,000 p.a.
- Payments due on an ongoing basis throughout the year

#### 2. Money-broking services:

The following money market brokers' services are utilised for day-to-day transactions as and when required.

- ICAP plc
- Martin Brokers (UK) plc
- Prebon Marshall Yamane (UK) Limited
- Tradition UK Limited
- BGC Sterling
- Imperial Treasury Services

#### 3. Treasury Consultant services:

- Arlingclose Consultancy Services
- Contract commenced 10<sup>th</sup> September 2021 for 3 years, with the option to extend for a further 2 years.
- Cost of service - £11,750 plus VAT per annum, increasing by £750 each year
- Payments due annually

### 11.2 Procedures and frequency for tendering services

See TMP2 Performance Measurement section (2.2) for full details of services tendered. The process must comply with the Council's Contract Procedure rules.



## Treasury Management Practice Schedules 2023 - 2026

### TMP12 CORPORATE GOVERNANCE

#### **12.1 List of documents to be made available for public inspection**

12.1.1 Treasury Management Policy Statement

12.1.2 Treasury Management Strategy

12.1.3 Treasury Management Practices

12.1.4 Treasury Management Mid-Year Report

12.1.5 Treasury Management Annual Outturn Report

### APPENDIX A

#### Definition of Ratings

##### Fitch Long Term

- **AAA** - Highest credit quality. Rating denotes the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. The capacity is highly unlikely to be adversely affected by foreseeable events.
- **AA** - Very high credit quality. Rating denotes expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
- **A** - High credit quality. Rating denotes expectation of low credit risk. The capacity for payment of financial commitments is considered strong. The capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.
- **BBB** - Good quality rating. 'BBB' ratings indicate that there are currently expectations of low credit risk. The capacity for payment of financial commitments is considered adequate but adverse changes in circumstances and economic conditions are more likely to impair this capacity. This is the lowest investment grade category.

The modifiers "+" & "-" may be appended to any of the ratings above to denote a relative status within major categories.

##### Moody's Long Term

- **Aaa** - Judged to be one of the highest quality, with minimal credit risk
- **Aa** - Judged to be of high quality and are subject to very low credit risk
- **A** - Considered upper-medium grade and are subject to low credit risk
- **Baa** - Offers adequate credit quality. However, certain protective elements may be lacking or may be characteristically unreliable over any great length of time.

Moody's appends numerical modifiers 1, 2 and 3 to each rating classification. 1 indicates that the obligation ranks in the higher end of its category, 2 mid-range and 3 a ranking in the lower end of that category.

##### Standard & Poor's Long Term

- **AAA** - An obligor rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

## Treasury Management Practice Schedules 2023 - 2026

- **AA** - An obligor rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.
- **A** - An obligor rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.
- **BBB** - An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

**Plus (+) or minus (-) the** ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories

Mae'r dudalen hon yn wag yn bwrpasol

# Eitem ar gyfer y Rhaglen 7



## CABINET

<b>Date of Meeting</b>	Thursday, 23 <sup>rd</sup> February 2023
<b>Report Subject</b>	Climate Change Strategy
<b>Cabinet Member</b>	Collective Responsibility
<b>Report Author</b>	Chief Officer (Planning, Environment & Economy)
<b>Type of Report</b>	Strategic

### EXECUTIVE SUMMARY

In 2019 the Welsh Government called for the Public Sector to become net zero carbon by 2030. Following this declaration, Cabinet resolved in December 2019 to a Climate Change Strategy which would set key aims and actions for creating a net zero carbon Council by 2030.

The Climate Change Strategy and action plan were adopted by Council in February 2022. The strategy detailed the commitment to provide an annual update on the Council's carbon emissions with consideration for further areas for development in achieving the net zero carbon goal.

This report summarises the progress made in 2021/22 across the key themes within the strategy: Buildings, Mobility & Transport, Procurement, Land Use and Behaviour.

The total carbon emissions for 2021/22 saw a 1% increase on the 2018/19 baseline. All carbon emission sources have seen decreases beyond the percentage targets, aside from Procurement which saw a 24% increase. Emissions from this source are directly linked to spend value and therefore the current methodology is adversely affecting the Council's total carbon footprint.

Fleet transition to low carbon alternatives and provision of available EV charging infrastructure for Council fleet is progressing slowly. There is also a need to embed climate change and carbon reduction throughout the Council, and increased visibility and provision of training can achieve this.

Lastly, further developing efficient energy management within our buildings will enable continued reductions from this theme.

These areas need particular focus and revenue support over the coming year to accelerate decarbonisation and stay on track towards 2030 net zero carbon goal.

## RECOMMENDATIONS

1	To receive the report and note its contents.
2	To support the improvement of internal communications to raise awareness of the Council's positive progress in moving to achieve its climate change ambitions.
3	To support the introduction of embedding carbon measures into procurement processes within a pilot portfolio of the Council.
4	To support the case for an Invest to Save post and resources to introduce Building Management Systems within more of our building assets to improve the management of energy use.
5	To support the embedding of climate change principles throughout the Council, through delivery of Carbon Literacy training to Elected Members, Senior Managers and other key decision makers.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE REPORT</b>
1.01	<p><b>Background:</b> In 2019, the Welsh Government declared a Climate Emergency in Wales, accepting the recommendations from the United Kingdom (UK) Committee on Climate Change and further setting ambitious plans for the public sector to be net zero carbon by 2030. In December 2019 Cabinet resolved to develop a Climate Change Strategy which would set key aims and actions for creating a net zero carbon Council, and this strategy and action plan was adopted by Council in February 2022.</p>
1.02	<p><b>Purpose:</b> This report provides an update on the progress that has been made on climate change from adoption of the Climate Change strategy in February 2022 – January 2023. During the 12 months of this reporting period, there has been focus on implementation of key projects while carrying out the necessary research and development needed to progress within other priority areas. The report compares the most recent carbon emission data (Apr 2021 – Mar 2022) against previous year's data, and explains areas of increase and decrease. The report then breaks down progress in each theme within the published Action Plan, and starts to indicate where Capital and Revenue resource is needed to further progress within these actions.</p>
1.03	<p>The Climate Change strategy set out a milestone plan for key theme areas. Appendix 1 details the progress made against annual target emissions in order to stay on track with our net zero carbon goal.</p> <p>This can be summarised in the table below:</p>

Theme	2018/19 actual tCO <sub>2</sub> e	2019/20 actual tCO <sub>2</sub> e	2020/21 actual tCO <sub>2</sub> e	2021/22 actual tCO <sub>2</sub> e	2021/22 target (% reduction) tCO <sub>2</sub> e
Buildings	10,747	10,262	9,971	8,543 (-13%)	9,004 (9%)
Mobility & Transport	6,716	6,542	5,479*	5,504 (-16%)	5,938 (9%)
Procurement	28,970	29,227	25,366	32,446 (+24%)	23,337 (8%)

\*Due to records retained during the COVID pandemic, in 2020/21, the figures for employee commuting were not previously included. The data detailed above is an estimate.

The table details the reductions made in 2021/22 against the 2018/19 baseline. An increase in emissions has occurred in Procurement due to the increase in spend in 2021/22. All other key themes have seen carbon reductions as we evolve into new ways of working post pandemic.

The Climate Change Action Plan captures the actions needed across the Council in order to achieve Net Zero Carbon by the 2030 goal. The Action Plan is divided into 5 key themes: Buildings, Mobility & Transport, Procurement, Land Use & Behaviour. To monitor progress within each of these themes, Officer Working groups were established with representation from key stakeholders across the Council's portfolios. This is a further way of embedding climate change into the Council, and Climate Change and Climate Adaptation actions continue to be included in the Council Plan.

There are 58 actions within the Action Plan that include both mitigation and resilience actions. This Action Plan is a working document that will be reviewed periodically as and when further intelligence is available to improve carbon reduction forecasts. The progress against this Action Plan is detailed in Appendix 2, and summarised below.

1.04

### **Buildings**

We continue to invest in our buildings to improve their energy efficiency and subsequent carbon emissions. We have successfully secured Salix loans, Prudential borrowing, Welsh Government grants and utilised internal funds to carry out works across our estate including schools, industrial units and street lighting. These have included LED upgrades, improved insulation, and BMS (Building Management System) upgrades to improve management of energy. We also continue to invest in building mounted renewable energy to reduce the need for grid electricity by installing solar PV and wind turbines on schools and industrial units.

**Due to these works we have seen a 3% decrease in heating from buildings, 37% decrease in electricity from buildings, and 44% decrease in electricity in street lighting.**

Work has been underway in designing and developing the Council's first Net Zero Carbon school and is again demonstrating leadership by piloting a Net Zero Carbon Care Home which will be one of the first in Wales.

Rationalisation of assets continues as the Council moves out of the COVID pandemic and embraces new ways of working. The Asset

	<p>Management Plan has been reviewed to reflect the Council’s carbon ambitions when building and land assets become available.</p> <p>Further opportunities exist to decarbonise our buildings and focussed resource needs to be made available to progress this in the coming year.</p> <p>The Council continues to provide energy advice and support to domestic properties – both Council tenants and private households. The team works to reduce the risk of fuel poverty and works with occupiers and contractors to fit energy reduction measures in homes including insulation, LED light bulbs, energy use meters, solar energy and improved heating systems such as air source heat pumps.</p> <p>In terms of economic strategy, place plans are being developed for each of our town centres over the coming year. These plans will help us to understand the regeneration needs within our urban communities and will consider carbon mitigation and adaptation and environmental impacts within these areas. The plans will give us a better understanding of our existing and potential assets and guide and shape decisions to ensure the county thrives and supports the wellbeing of our residents.</p>
1.05	<p><b>Mobility &amp; Transport</b></p> <p><b>In 2021/22 we have seen a 51% decrease in Business travel, 11% decrease in employee commuting and 15% decrease in Fleet, compared to our 2018/19 baseline.</b></p> <p>The decrease in Business Travel and Employee Commuting can be attributed to the hybrid working patterns of the workforce coming out of the pandemic. The data for both of these areas has a reasonably high Relative Standard of Deviation (RSD) due to the methodology used to determine emissions. The RSD for this data can be reduced by improving the vehicle data we collect within our mileage travel claim forms for Business Mileage, and by surveying our employee base to determine methods of travel and average days travelled within Employee Commuting. This would also help us to better understand the impacts of home working on the Council’s carbon footprint. The provision of a salary sacrifice scheme for ULEV would also improve our emissions from these sources.</p> <p>The Council is working to understand the impacts of transition to alternative fuel vehicles with pilots of electric recycling vehicles and 2 electric buses introduced into the public service. These trials will allow us to understand the benefits and challenges associated with this transition, and better scope the network, infrastructure and training needed in order to transition while preventing any adverse effects to service provision.</p> <p>The largest impact in this area comes from our own Fleet. Work is being carried out to develop the Council’s EV Transition plan in line with the installation of EV charging points and the renewal of the Fleet contract. This project is one that has many contributing factors affecting a number of the Council’s portfolios. There are many aspects of this roll-out that could be detrimental to Council service provision if not completed correctly. Specific skills and knowledge are needed to progress and implement this plan across the Council – overseeing the operational aspects of location of charging points, managing vehicle routes, providing</p>



	<p>training on the use and care of electric vehicles, provision of ongoing maintenance, while ensuring all stakeholder parties are involved and engaged. The Council needs to invest in specific staff resource to manage the operational side of this transition to reduce the impact on Council service provision.</p> <p>We have invested in EV charging infrastructure to support the public transition to electric vehicles. Working with Swarco, the first phase of 15 public access EV charging points have been installed across the county within public car parks. Feasibility for further phases could see additional provision in well-identified locations.</p> <p>The Council continues to develop its active travel network across the county by identifying and bridging gaps in the network. The Welsh Government Bus Reform on franchising the Bus Network may impact on current plans around public transport.</p>
1.06	<p><b>Procurement</b>  <b>In 2021/22 we saw a 24% increase in carbon emissions from supply chain.</b> This increase directly correlates with a Council-wide increase in spend over 2021/22.</p> <p>The Council has a responsibility to consider how we can incorporate climate change considerations into our procurement in a way that is proportionate and relevant and influences the market. Reducing emissions from procured goods and services is a significant part of our climate response.</p> <p>Procurement continues to be a contentious reporting figure due to being based on the value of goods and services procured. This will continue to fluctuate in line with Council spend and therefore be an unpredictable carbon emission source until we are able to demonstrate actual carbon emissions within contracts.</p> <p>Work is underway to include the requirement of a carbon plan in contracts over £5 million as per Welsh Government guidance. The biggest impacts will come from establishment of tender scoring criteria on carbon emissions from each contract. This will allow us to add carbon specific weighting to tendering processes and monitor the contract for the actual carbon emissions produced as a result of that service. These figures can then be reported as actual carbon emission figures in place of the contract value.</p> <p>The emissions from procurement are split into a number of categories and therefore we are able to pinpoint the key spend areas. These are: Social Care services, Construction, Education Services, and other Professional Services. We can focus on introducing carbon measures within these key spend areas to ensure high impact on carbon reduction within Procurement.</p> <p>The Procurement Strategy is being reviewed to incorporate the introduction of measures to weight contracts with consideration for the carbon impacts of the contract and collection of that carbon emission data. Engagement work will need to be undertaken with suppliers to</p>

	<p>guide them on our carbon ambitions and the requirement for this data, and Council officers will require training to understand the carbon impacts.</p> <p>Management of this process – working with Commissioning officers, our current suppliers and prospective suppliers to enable the collection of this data – is onerous and the Council needs to invest in a skilled staffing resource for this. Opportunities may be available to utilise a shared resource with our Joint Procurement partner Denbighshire County Council.</p>
1.07	<p><b>Land Use</b></p> <p>The Council continues to work on understanding both existing and potential benefits of its land assets. Cross departmental working is being utilised to effectively map land areas that have potential for improved carbon absorption, natural flood defence and biodiversity net gain. These attributes must be weighed against current land use and other land priorities. Key sites will be identified this year to progress feasibility.</p> <p>The Council has demonstrated leadership with further investment in renewable energy with the launch of two new solar farms potentially generating 3MW of electricity. This complements our existing solar farms and landfill gas generation, with solar farms now at former Flint landfill, Crumps Yard, Connahs Quay, and Standard Road and Brookhill Way, Buckley.</p> <p>In partnership with University College London (UCL) we have demonstrated the need to innovate by trialling hydro power at Wepre Park. This installation is a proof of concept for this technology in providing renewable energy for the Visitor Centre from water flow.</p> <p>By investing in these technologies, we can move Flintshire, and Wales as a nation, away from energy produced by burning of fossil fuels. Further opportunities exist to invest in large scale renewable energy schemes and focussed resource needs to be made available to progress this in the coming year.</p> <p>Municipal waste continues to be sent to Parc Adfer energy from waste facility in Deeside which can power more than 45,000 homes. Kerbside food waste is sent to the anaerobic digester and green waste is converted into compost at the Greenfield facility. Kerbside recycling waste is collected and recycled largely within the UK. Links with Flintshire Refurbs and other charities has improved the waste treatment of large household items and white goods. Items are collected at kerbside or set aside at Household Recycling sites and either repaired and reused or broken down into their component parts for recycling.</p> <p>The provision for recycling in Council buildings can be improved through audit and education, and on-demand collections of recyclables are being trialled at Schools.</p> <p>Due to these streams avoiding waste being sent to landfill, the carbon emissions within our baseline are those from fuel used by the Waste</p>

	<p>collection vehicles. These emissions will reduce once effective alternative fuel sources are available for these heavy use vehicles.</p> <p>In terms of further biodiversity management, we now have a network of 109 nature areas across the county that incorporate reduced mowing regime, wildflower seeding, etc, with 11.8ha of our grassland estate managed for wildflower diversity. There are still opportunities to extend this network through land mapping and engaging with both internal and external stakeholders. The benefits of this network extend beyond biodiversity and provide accessible and visible green space to improve wellbeing.</p> <p>Progress to increase tree canopy cover in line with the Urban Tree and Woodland Plan has been affected by storm damage and the continued issue of ash dieback. Ash dieback action plan is in place and tree works are being recorded and continued work with private landowners.</p> <p>Community food growing sites continue to receive improvements and further potential sites have been identified for consideration for food growing. There are currently 16 sites across the county covering over 3.8ha.</p>
1.08	<p><b>Behaviour</b></p> <p>In order to embed climate change, work has been undertaken to review and update key decision making tools within the Council. The Integrated Impact Assessment tool is used for compliance with the Public Sector Equality Duty and ensure due regard is given to reduce inequalities of outcome resulting from socio-economic disadvantage, when taking strategic decisions. It incorporates Welsh Language impacts, environment and biodiversity, health impacts, etc. This tool now incorporates the impacts associated with carbon to ensure strategic decisions consider our carbon ambitions. Further review of this document is taking place to ease completion by the Officer while ensuring all of the impact criteria is met. The Business case template for Capital expenditure has been updated to incorporate the mandatory modelling of a best-case carbon and biodiversity positive option. This process allows Officers to effectively consider the reduced carbon options within the early business planning process. Further support will be given to Officers completing the new requirements within this document. The Council's Asset Management Plan has been reviewed and updated to give due consideration for carbon impacts related to our building assets as well as the consideration of land use to support carbon ambitions. The Procurement Strategy is also being reviewed as described previously.</p> <p>To further support the embedding of climate change across the Council, the former Climate Change Programme Board was formalised as a Climate Change Committee and a Cabinet Member for Climate Change &amp; Economy was established. The Board has oversight on the delivery of the Strategy and its Action Plan.</p> <p>In embedding carbon within the decision making of Officers and Members, the first phase roll out of carbon literacy training has taken place. Carbon literacy training should be a mandatory requirement for Elected Members and Senior Managers across the organisation. Cost</p>

	<p>implications to the Council have been reduced by providing in-house delivery of a package developed by Carbon Literacy Project specifically for Local Authorities. Twenty Officers within the Themed Working groups have attended this training and feedback has been very positive. The next phase of training needs to focus on Elected Members and Senior Managers across the Council and budget and time allowance for this must be accounted for.</p> <p>The wider employee base would benefit from completion of a more basic introduction to climate change, and Flintshire Council is leading a regional public sector commission to facilitate the development of an e-learn module for this purpose.</p> <p>Steps have been taken in the transition towards a 'paperless Council' through provision of hardware for Members to enable access to Report Packs digitally. The default position is now that paper copies of reports are not sent out unless specifically requested. This process is still ongoing to identify further barriers to utilising digital report packs. Further engagement work to improve behavioural change across Officers and Members is needed. Other areas of paper use across the Council are being identified and reviewed in line with the Digital Strategy.</p>
1.09	<p>Reducing the Council's carbon emissions alone – roughly 2% of the total emissions of the county - will not achieve the net zero Wales by 2050 goal, and the expectation is that we use our influence as a Local Authority to encourage local businesses, voluntary organisations, public services and the general public to work towards reducing their carbon emissions.</p> <p>We have developed a decarbonisation network for Deeside industrial area to develop aims and objectives and share good practice and are developing a toolkit for local businesses to calculate their carbon footprint and develop a carbon reduction plan.</p> <p>We have developed public facing 'Climate Change' pages within the Council's website which are regularly updated with our progress and provide a resource for the public and Council employees. In November we launched the Climate Change e-newsletter with a subscription of over 900. The newsletter highlights key projects, useful information and upcoming local and national events. The 'Climate change' topic is now available for selection in the Flintshire Council subscription topics.</p> <p>The Climate Change Programme Communication and Engagement plan ensures that all stakeholder groups are engaged and informed through a variety of media. During COP Cymru in November 2021, the Council shared its good practice by presenting on the Flintshire Solar Farms and continued investment and leadership in renewable energy generation. During Wales Climate Week in November 2022 drop-in sessions were organised across the county providing energy saving advice, carbon footprint calculations and allocations of trees to Welsh households as part of the 'My Tree Our Forest' programme. Plans are being developed for activities to engage businesses, residents and schools in climate change action.</p>

	<p>Networks continue to be developed across public and private sectors to ensure a comprehensive approach to climate change across the county. The Welsh Government Energy Service and Welsh Local Government Association lead both regional and pan-Wales networking groups for decarbonisation officers across the public sector. This is an essential resource for learning and showcasing best practice and provides opportunities for joint working projects where all organisations are working towards a shared outcome. Outputs from these groups are fed into the Local Government Climate Strategy Panel that is represented by Welsh Government. Wrexham &amp; Flintshire Public Service Board (PSB) continues to provide a collaborative environment for all public sector organisations in achieving carbon and environmental ambitions, and the links these have with social prescribing and health and wellbeing.</p>
1.10	<p><b>External influences:</b></p> <p>The Audit Wales report ‘Public Sector Readiness for Net Zero Carbon by 2030’, published in July 2022, makes five calls for action from public bodies:</p> <ul style="list-style-type: none"> <li>- Strengthen your leadership and demonstrate your collective responsibility through effective collaboration</li> <li>- Clarify your strategic direction and increase your pace of implementation</li> <li>- Get to grips with the finances needed</li> <li>- Know your skills gaps and increase your capacity</li> <li>- Improve data quality and monitoring to support your decision making.</li> </ul> <p>As a Council we have strengthened our leadership through a committed Cabinet Member for Climate Change, a formalised Climate Change Committee, and cross-departmental Officer working groups to demonstrate collective responsibility through collaboration. We are working with our public sector partners to better understand the finances associated with decarbonisation, and to share best practice with improved data quality. The Council must continue to increase the pace of implementation of carbon reduction projects and increased capacity where skills gaps exist by providing the necessary investment.</p> <p>In July 2022 Welsh Government also published their ‘Decarbonising Social Care in Wales’s report which highlights key actions needed by the public sector to better understand the carbon emissions from social care services and to ensure actions to decarbonise are included in strategic plans. The Council’s Climate Change Strategy already encompasses many aspects associated with social care, however, this will be reviewed as part of the strategy review in 2024/25. Within this review content and detail will be compared to the ‘Social Care route map’ to ensure this service area is effectively represented. Future carbon emission submissions to Welsh Government will require a separate analysis of emissions from social care.</p> <p>The methodology for the 2021/22 carbon emission data submission to Welsh Government was modified to incorporate the addition of new measures around Homeworking. The methodology used for calculating these emissions has a very high Relative Standard of Deviation due to necessary data being difficult to determine. In order to make this data</p>

	<p>meaningful and a true reflection of the carbon impacts from home working, we need to better understand the quantity of time our employees work from home. This data collection could be tied into the wider 'employee commuting' survey. Due to the disparity of data, and emissions from Homeworking not being included in our baseline figures, we have not included this in scope for our 2021/22 carbon emission data report.</p> <p>With the addition of Homeworking emissions in 2021/22, and social care in 2022/23, the moving of reporting goalposts has potential to adversely affect the progress made in reducing our carbon emissions. It should be decided if any changes in methodology are to be included in future internal reporting or if the original baseline figures should be maintained.</p> <p>In December 2021, the Welsh Government committed to the development of regional energy strategies and Local Area Energy Plans in its approach to create a national energy plan by 2024. This exercise maps out future energy demand and supply for all parts of Wales to identify gaps and enable future planning.</p> <p>The North Wales Energy Strategy &amp; Action Plan has now been developed through a public sector working group and has been approved by the North Wales Economic Ambition Board. The strategy and action plan now needs to be endorsed by each Council, and implementation of this will be led by Ambition North Wales.</p> <p>Ambition North Wales are also leading on the development of the Local Area Energy Plans and work with each Council will commence in 2023. The Planning is being funded by Welsh Government and the resulting Local Area Energy Plan will inform both local and national investment and decisions on future requirements for energy across all sectors.</p>
1.11	<p>Significant change will not happen within the organisation without adequate capacity. This can take the form not only in the human resource to lead and manage projects or the financial resource to invest when needed, but also the political will and understanding of realising the long term benefits of decisions made today.</p> <p>In times of austerity, it is important to justify how spending decisions are made. Prioritising one area of urgency over another is down to how seriously the Council considers its responsibilities in terms of the ambition to become net zero carbon. The Council has a record of committing to investment in green projects highlighted within the Council Plan and this must be continued to achieve the ambitious targets set out.</p> <p>We have invested in staff capacity to lead the delivery of the Climate Change strategy, however we now need to utilise specific knowledge and skills to develop and lead change in decarbonising our Fleet, Buildings and Procurement. These roles should be located within the teams leading on the key actions to reduce carbon emissions from these work areas.</p> <p>The Council was successful in securing a degree apprentice in 'Low Carbon Energy and Sustainability' through Welsh Government's initiative</p>

	to invest in green skills. This placement is in partnership with Wrexham Glyndwr University and is already proving to be a valuable resource for the programme.
1.10	By working to achieve these goals Flintshire County Council can make its contribution to tackling the climate emergency and a net zero Wales by 2050 as detailed in Climate Change (Wales) Regulations 2021. Furthermore, achieving the Council's own well-being goals and those within the Well-being of Future Generations (Wales) Act 2015. As climate change and the environment are intrinsically linked the Council will also deliver on its statutory duties within Environment (Wales) Act 2016 to maintain and enhance biodiversity.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Capital and revenue resource will be required to continue improvement of energy efficiency in buildings assets. Where possible SALIX loans and external funding will support this programme. Costs still to be determined.
2.02	Capital resource will be required for improvement of electric vehicle charging infrastructure to support transition of fleet to EV. Installation cost approximately £600k supported by external funding.
2.03	Next stage large scale renewable energy generation estimated costs £1.1m. This could be funded through Prudential borrowing.
2.04	Dedicated staff resource is needed to progress the decarbonisation of both fleet and procurement. Opportunities exist to utilise a joint Procurement officer with Denbighshire County Council.
2.05	In order to educate and inform key decision makers on climate change actions it is essential that priority is given to completion of Carbon Literacy training. In-house provision of this is saving the Council approx £34,000 in training revenue. The estimated costs for delivery to all Elected Members and Senior Managers is £2,000.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	There will be significant reputational risk if the County Council is not seen to take a leadership role in moving towards net zero carbon. Financial risk will be assessed on a project-by-project basis but lack of availability of internal and external funding will reduce the action that can be taken.

3.02

**Ways of Working (Sustainable Development) Principles Impact**

<p>Long-term</p>	<p>Positive: Decarbonisation of the Council's activities and services will require long term planning and a long term vision to ensure systems and services are fit for purpose as the climate changes as well as reducing the impact of harmful climate change through mitigation.</p> <p>Decarbonisation activities such as planting trees and developing renewable energy will have long lasting impacts over tens to hundreds of years. These activities also contribute to the climate change targets set by Welsh Government particularly Wales generating 70% of its electricity demand from renewable energy by 2030 and becoming a net zero carbon nation by 2050.</p>
<p>Prevention</p>	<p>Positive: In order to avoid the harmful effects of climate change it is necessary for the Council to reduce its carbon emissions and increase the amount of carbon sequestered in its land assets. Carbon emissions caused by human activities are the main cause of climate change.</p> <p>Mitigating climate change will help to reduce impacts such as extreme weather causing flooding / extreme heat, loss of wildlife and habitats, increased pests and diseases, etc.</p> <p>Adapting to the impacts of climate change now will improve sustainability of our communities as the climate changes.</p>
<p>Integration</p>	<p>Positive: Becoming net zero carbon integrates with the following priorities under the Council Plan; Green Council, Ambitious Council and Supportive Council. It integrates with the public service board objectives in the Environment priority of the Wellbeing Plan as well as the Smart Access to Energy project in the North Wales Growth Deal. It also integrates with the Environment (Wales) Act 2016 and Welsh Government's decarbonisation of the public sector agenda.</p>
<p>Collaboration</p>	<p>Positive: The climate change programme offers multiple opportunities to work collaboratively both internally and externally – and this collaboration will determine the success of the programme. Collaboration with the following groups is</p>



	<p>needed to ensure decarbonisation is integrated into everything that the Council and the wider region does and plans for:</p> <ul style="list-style-type: none"> <li>- Welsh Government</li> <li>- Other public sector organisations such as local authorities, NRW, health boards, universities.</li> <li>- Private sector</li> <li>- Regional groups such as the North Wales Economic Ambition Board</li> <li>- Local Town and County Councillors</li> <li>- the local communities</li> </ul>
Involvement	Positive: If decarbonisation is to succeed and harmful climate change is to be avoided then everyone at a professional and personal level will need to be involved
<p><b>Well-being Goals Impact</b></p>	
Prosperous Wales	Positive: Reducing the Council's carbon emissions should enable strategic investment in projects and ways of working that could deliver savings or generate new income streams, therefore supporting delivery of local services. It should also facilitate the development of the low carbon economy through infrastructure projects, sustained tree planting, land management etc which can support local businesses and communities.
Resilient Wales	Positive: Decarbonisation of the Council's activities and services will promote resilience through actions such as: investment in renewable energy infrastructure which helps to reduce reliance on imports from across Europe and the World and the associated price fluctuations, and increasing ecological resilience through enhancing biodiversity particularly on land with low ecological value. By planning for climate change adaptation the Council's services and its communities will also be resilient.
Healthier Wales	Positive: Decarbonisation requires a shift to active travel, investment in green infrastructure, support for local and sustainable food sources, and development of renewable energy which are likely to promote healthier lifestyles, improved wellbeing and reduced health impacts from poor air quality.

	More equal Wales	Neutral; No impact identified
	Cohesive Wales	Neutral; No impact identified
	Vibrant Wales	Neutral; No impact identified
	Globally responsible Wales	Positive: Reducing the Council's carbon emissions to net zero helps to mitigate climate change and therefore contributes to the achievement of Welsh Government, UK Government and international climate goals.
3.03	Not anticipated to be any negative anti-poverty, equalities or environmental impacts of the scheme.	
3.04	<p><b>The Council's Well-being Objectives</b></p> <p>Decarbonisation of the Council's activities will support the Green Council objective with a key impact of reducing carbon emissions mitigating climate change, for example, through the development of alternative and renewable energy production, promoting active travel, shifting to electric fleet vehicles, engaging with the supply chain and promoting a low carbon economy through the goods and services purchased.</p> <p>It can also contribute towards the success of other Council Wellbeing objectives such as 'An Ambitious Council' and 'A Caring Council' through providing local job creation and apprenticeships and therefore potentially reducing poverty through maximising residents' income and employability.</p>	

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	

<b>5.00</b>	<b>APPENDICES</b>
5.01	<p><b>Appendix 1</b> – FCC Carbon Emission update</p> <p><b>Appendix 2</b> – Climate Change Action Plan progress</p>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>1. Prosperity for all – a low carbon Wales <a href="https://gov.wales/prosperity-all-low-carbon-wales">https://gov.wales/prosperity-all-low-carbon-wales</a></p>

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer: Alex Ellis – Programme Manager</b>  <b>Telephone:</b> 01352 703110  <b>E-mail:</b> <a href="mailto:alex.ellis@flintshire.gov.uk">alex.ellis@flintshire.gov.uk</a></p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
	<p><b>Capital Funding:</b> Capital funding is usually utilised to acquire or improve a long-term asset such as equipment or buildings.</p> <p><b>Carbon emissions:</b> Used interchangeably with greenhouse gas emissions; meaning emissions of carbon dioxide, methane etc from human and natural activities and sources. Wider greenhouse gas emissions are collectively calculated into a ‘carbon dioxide equivalent’ displayed as CO2e.</p> <p><b>Carbon sequestration:</b> the process involved in carbon capture and the long term storage of atmospheric carbon dioxide.</p> <p><b>Decarbonisation:</b> Reducing and ultimately eliminating carbon dioxide and other greenhouse gas emissions.</p> <p><b>EV:</b> Electric Vehicle</p> <p><b>Net Zero Carbon:</b> Balancing carbon emissions with carbon removal or simply eliminating carbon emissions altogether.</p> <p><b>Revenue Funding:</b> is utilised for items that will be used within a year. Examples include salaries, heating, lighting, services and small items of equipment. Routine repairs are revenue expenditures and can include significant repairs that do not extend the life of the asset or do not improve the asset.</p>

Mae'r dudalen hon yn wag yn bwrpasol



# Carbon Emission update 2021-22

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## 1 Executive Summary

Flintshire County Council's target is to become net zero carbon by 2030.

In order to gauge progress towards this target, carbon emissions are tracked and reported on an annual basis. By understanding what the sources of carbon emissions are, the Council can formulate strategic priorities to mitigate climate change.

The progress detailed within the report allows us to pinpoint areas where data collection methods need to be improved, focus investment and decision making on areas that are not performing as expected, and review projected forecasts to take us to our 2030 goal.

The methodology used to determine the Council's carbon footprint is based on Welsh Government guidance 'Welsh Public Sector Net Zero Reporting Guide Version 2, 2022'.

Some of the methodology used within this process has already changed year on year since the baseline calculation was made in 2018/19. Introduction of new measures into the calculation can confuse and undermine the progress that the Council is making in its carbon reduction activities. Due to this, this progress report follows the sources of carbon emission as detailed in our in-scope baseline footprint calculations.

The total carbon emissions for 2021/22 before removing carbon offset from our land was 46,493tCO<sub>2</sub>e. This is a 1% increase on carbon emissions based on our 2018/19 baseline and is due to the increase in emissions from Procurement. The methodology adopted for emissions from procurement is based on value of spend, and therefore an increase in Council spend will reflect an increase in carbon emissions.

All other sources of carbon have seen reductions above the targeted 9% and 8% as detailed in the climate change strategy.

Focus must be given to adoption of a more effective and accurate methodology for determining the Council's emissions from supply chain.

## 2 Our Baseline

Everything we do has an effect on the environment we live in; from burning fossil fuels for heating to collecting kerbside waste and recycling. Flintshire County Council reports its carbon footprint to Welsh Government as tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) within its organisational and operational boundaries. This plan relates to the Council's internal operations which are:

- Buildings owned and operated by the Council including offices, depots, schools, community centres, care homes, public conveniences and street lighting. This includes heating, electricity and water use within these facilities.
- Fleet vehicles owned by the Council,
- Business travel for work,
- Employee commuting,
- Procurement of goods and services.

The scope excludes:

- Domestic properties,
- Buildings owned by us that are leased out and operated by third parties,

In order to establish where we are and where we need to be, we first need to look at our baseline figures. In 2018/19 we were able to capture the data set out below. Figure 1 below shows a breakdown of GHG emissions by emission source for 2018/19.<sup>1</sup>

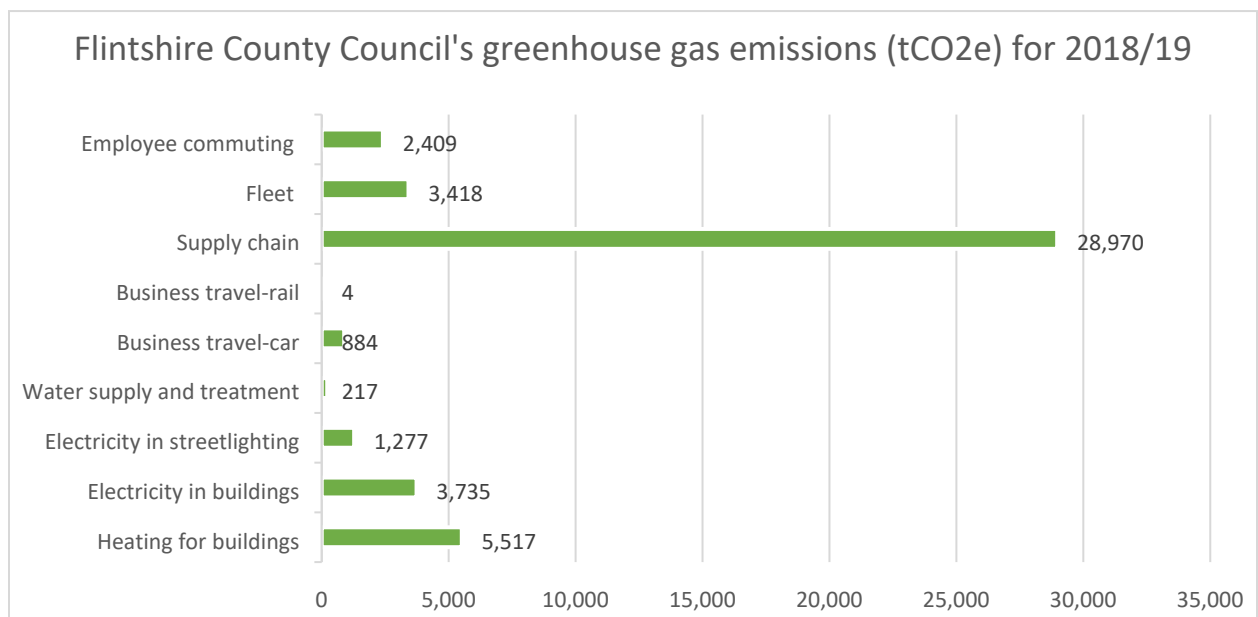


Figure 1: Flintshire County Council's GHG emissions for 2018/19 baseline

<sup>1</sup> It should be noted that the data has been collected using the best available methods at that time, and therefore the expectancy is that data accuracy will improve with emerging methodologies.



As these figures suggest, the biggest contributors to the Council's carbon footprint in 2018/19 were:

- Supply chain; procurement of goods and services: 62%
- Heating for buildings: 12%
- Electricity in buildings: 8%
- Fleet: 7%
- Employee commuting: 5%<sup>2</sup>

The Council produced 1,664 tonnes of waste in 2018-19 from its operations, however all waste collected by the Council, including operational waste, was either recycled or sent to energy from waste plants for incineration when it cannot be recycled. All green waste is composted. Therefore the only carbon emissions related to waste are included in the 'Fleet' data through waste collection vehicles.

Supply chain; procurement of goods and services equates to 62% of our baseline carbon emissions total. The Council understands that there are actions that can be taken to reduce these emissions through decision making processes and supplier engagement, however this figure will only see significant reductions if the appropriate investment, policy and infrastructure is provided and developed by the Government.

From this data we understand that our baseline carbon emissions for 2018/19 were 46,434 tCO<sub>2</sub>e.

In 2018/19, the Council reported an estimated 1,500 tCO<sub>2</sub>e absorbed from its land assets. However, this figure has been estimated based on two specific land types – grassland and woodland/forest – with a common value factor used to determine the absorption of carbon. As yet, no formal baseline figures have been calculated for our land assets to determine more accurate absorption figures and therefore this action is a priority in realizing the true benefits of our land to both carbon sequestration and wider habitat richness.

The 2018/19 carbon absorption total can be removed from our emissions total as a 'carbon offset'. Therefore to meet our net zero carbon goal, the total carbon emitted by the Council, minus the total carbon absorbed from Council owned and operated land, must equal zero by 2030. In 2018/19 the balance of carbon emissions was 44,934 tCO<sub>2</sub>e.

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<sup>2</sup> Note this data has a high level of inaccuracy due to the calculation methodology used

### 3 Carbon Emissions for 2021/22

The Council now has carbon emission data for four financial years as shown in Figure 2 below. The total carbon emissions for 2019/20 saw a 1% reduction on the 2018/19 baseline. The total carbon emissions for 2020/21 saw a 17% reduction on the 2018/19 baseline. The total carbon emissions for 2021/22 saw a 1% increase on the 2018/19 baseline.

Emissions reductions in 2021/22 were made across all sources except supply chain where there was a 12% increase on 2018/19 baseline. The methodology adopted for calculating our carbon emissions is mandated by Welsh Government. The methodology for calculating carbon emissions from supply chain is based on the value of spend. Therefore if the Council spends more money one year than a previous year then the consequential emissions will be higher. This is not an ideal or accurate method to calculate these emissions and work must be carried out to improve the recording of actual emissions related to contracts to improve this data accuracy.

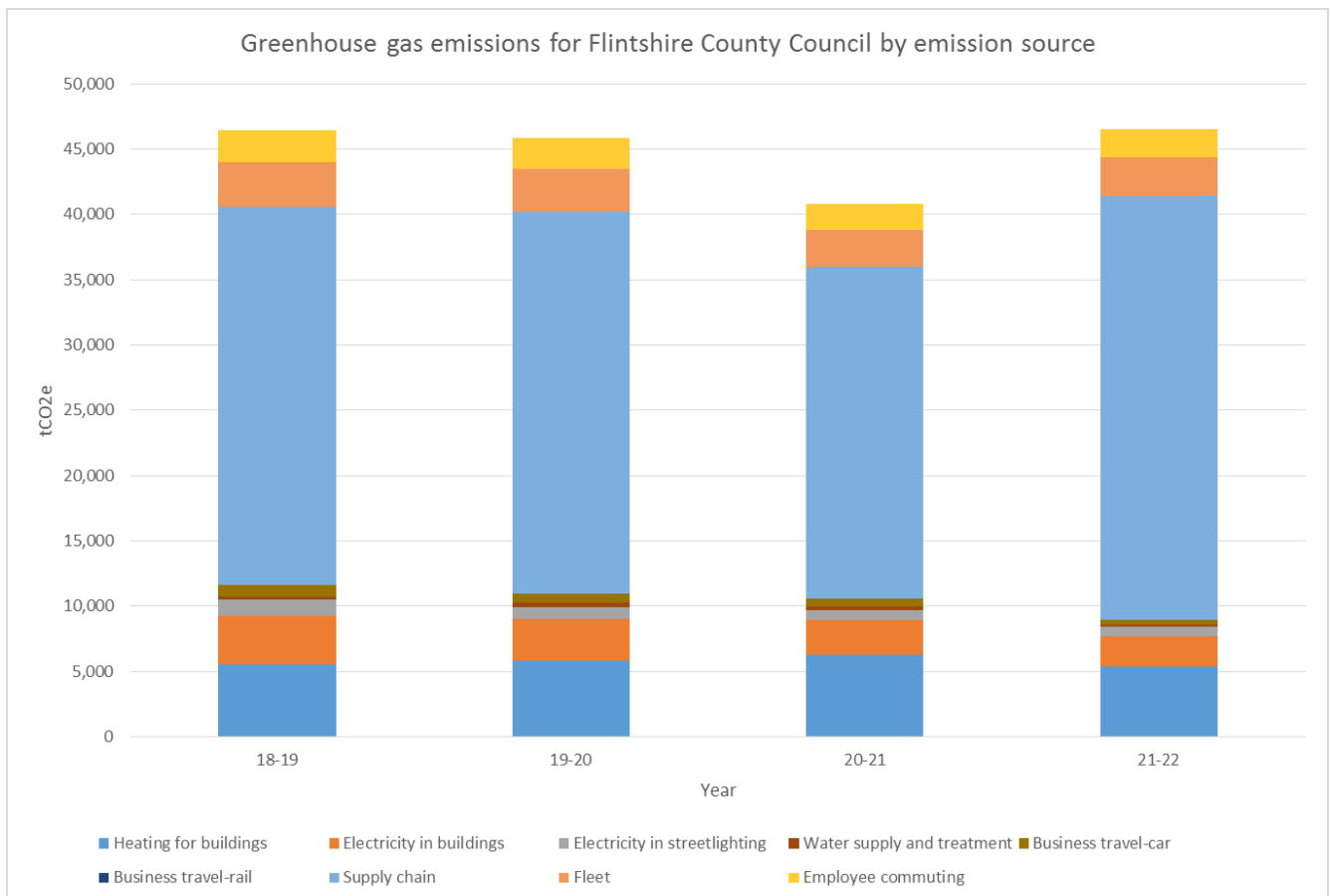


Figure 2: Flintshire County Council GHG emissions over past 4 financial years by emission source

Aside from supply chain, compared to 2018/19 baseline, we saw a 3% reduction in heating from buildings, 37% reduction in electricity in buildings, 44% reduction in electricity from street lighting, 51% reduction in business travel and 15% reduction from fleet. This is reflective of the projects carried out during this reporting year by further reducing emissions from buildings through renewal of heating sources, management of heating controls, other energy efficiency measures and building-mounted renewable energy generation. Emission reductions in business travel and fleet reflect the continuation of hybrid working across the county, and the use of intelligent route mapping for Streetscene and maintenance services.

The methodology used to determine emissions from business mileage and employee commuting continue to have a high level of deviation due to gaps in data records. Data recorded within mileage claims needs to be strengthened so that actual vehicle and fuel types can be captured. This will allow for more accurate calculation of emissions from business travel. An employee survey to determine methods of travel into the workplace and frequency of travel would allow more accurate estimates of related emissions, and the subsequent impact of home working.

The methodology to determine emissions from water use also have a high level of deviation. These figures are currently calculated using invoice cost values. Being able to capture actual water usage figures would improve the accuracy of emissions from water usage across our buildings.

Figure 3 below shows our actual emissions and the milestones we hope to reach between now and 2030. We are currently aiming for a 60% emission reduction in Buildings, 80% emission reduction in Mobility & Transport and 60% reduction in Procurement by 2030.

	Baseline tCO <sub>2</sub> e	Actual Reduction	Targeted Reduction	
Theme	2018/19	2021/22	2024/25	2029/30
Buildings	10,747	13%	35%	60%
Mobility & Transport	6,716	16%	50%	80%
Procurement	28,970	24% increase	30%	60%

Figure 3: Flintshire County Council Carbon Emission Milestones to 2030

To achieve these milestones we set annual targets in each theme as detailed below in Figure 4. The target percentage reduction is compared to the 2018/19 baseline. We overachieved on our reduction targets in Buildings and Mobility & Transport, and underachieved in Procurement as detailed previously.

Theme	2018/19 Baseline tCO <sub>2</sub> e	2021/22 target tCO <sub>2</sub> e % reduction	2021/22 actual tCO <sub>2</sub> e	2021/22 actual tCO <sub>2</sub> e
Buildings	10,747	9%	8,543	13% reduction
Mobility & Transport	6,716	9%	5,504	16% reduction
Procurement	28,970	8%	32,446	24% increase

Figure 4: Flintshire County Council Carbon Emission Targets for 2021/22

## 4 Land Use emissions

Land use emissions are determined using the Welsh Government’s methodology, emission factors for each land type, and our internal knowledge of land types under our ownership and control. Depending on usage, land can have positive or negative net carbon emissions. Settlements and croplands are net emitters while forests and grassland absorb and store carbon. Wetlands and peatlands also have the potential to absorb and store carbon depending on their condition, however the Welsh Government methodology does not currently include emission factors for these land types.

The emission breakdown from our land types can be seen in Figure 5. We are working to better understand and map our land assets so that we can ensure this data is accurate. This exercise also helps us to identify areas of land that could be beneficial for carbon off setting, natural flood defence and biodiversity net gain.

Land Type	Land area ha	Emission factor	Total kg CO2e
Forest land	151.68	-5.420194632	-822135.1219
Grassland	479.91	-1.44069199	-691402.4928
Settlements	1.23	2.104948644	2589.086832
Wetlands	78.91	N/A	

Figure 5: Breakdown of Flintshire County Council Land Types and Carbon impact 2021/22

Figure 6 shows the 2021/22 emissions and removals of kgCO2e based on the above methodology. By increasing the quantity of forest land and grassland we can increase the amount of carbon that we absorb and store. The pan-Wales decarbonisation network are working with Welsh Government to improve the data and emission factors associated with different land types to better reflect the assets that we have within Flintshire land.

Land based emissions	Units of kgCO <sub>2</sub> e	
	Emissions	Removals
Total land based emissions	2,589	- 1,513,538

Figure 6: Summary of Flintshire County Council land based emissions/removals 2021/22

## 5 Renewable Energy generation

The Council continues to invest in renewable energy generation both within its building assets and large scale solar farms. Investing in renewable energy that is consumed onsite allows a reduction in energy used from the grid. This saving is demonstrated in the emissions from electricity use. Investing in renewable energy that is exported into the grid assists in the local and national decarbonisation of energy provision moving us away from reliance on energy generated by burning of fossil fuels. Figure 7 below shows the energy generated and exported from each of our current renewable energy source types.

<i>Renewables</i>	Units of kWh	
	Total generated	Total exported
Onsite renewables – Solar PV mounted	636,395	159,099
Onsite renewables – Wind mounted	10,922	2,731
Onsite renewables – Biogas CHP (Landfill gas turbines)	1,614,723	1,614,723
Onsite renewables – Solar PV ground mounted	721,081	721,081
<b>Renewables</b>	<b>2,983,121</b>	<b>2,497,634</b>

Figure 7: Flintshire County Council Renewable Energy Generation 2021/22

## 6 Next steps and recommendations

It is the role of the Climate Change Committee to oversee and review the progress made against the Council's ambition to become net zero carbon by 2030. The Committee will continue to develop the Climate Change strategy and action plan and oversee implementation of its delivery.

There are areas of the collection and interpretation of carbon emission data that need to be strengthened over the coming year in order to achieve more meaningful data on the Council's carbon emissions. These areas include business mileage, employee commuting, home working, water use and procurement as detailed within this report.

Officer working groups for each of the key themes continue to work through the action plan, troubleshooting, identifying resource needs and developing business cases where necessary.

## Appendix 1 - Glossary

**Biodiversity:** The variety of plant and animal life that make up our natural world or a particular habitat.

**Carbon Dioxide Equivalent (CO<sub>2</sub>e):** the equivalent amount of carbon dioxide that would produce the same amount of global warming over a 100 year timescale.

**Carbon Store:** the amount of carbon stored in the natural environment such as soil, woodland, peatland etc. These may also be described as carbon sinks.

**Council assets:** buildings and land owned by Flintshire County Council.

**Decarbonisation:** reducing the carbon intensity and greenhouse gas emissions of an activity or service or wider organization.

**Net Zero Carbon:** Emissions of greenhouse gases are balanced by the removal of greenhouse gases from the atmosphere such as by trees, peatland and carbon capture and storage technologies.

**Offsetting:** A reduction in GHG emissions (e.g. wind turbines replacing coal) or an increase in carbon storage/GHG removal enhancement (tree planting, peatland restoration) outside of the GHG emissions boundary of an organisation that is used to compensate GHG emissions occurring within the organisation's boundary

**Sequestration:** Removing carbon dioxide from the atmosphere and then storing it, usually through environmental processes such as photosynthesis, absorption by soil, oceans etc.

## Climate Change Programme Action Plan

Ref.	Theme	Action	Target start date	Progress 2021-22
CCBu1	Buildings	All Council buildings and schools electricity delivered through a green energy tariff by 2025	2022	Large percentage of buildings are now included in the green energy tariff. Remaining buildings are being added as and when existing energy contracts end.
CCBu2		Review and rationalise building assets and leases considering new ways of working	2022	The council's Asset Management Plan has been reviewed in line with the climate change strategy and wider Council ambitions. Rationalisation of assets is ongoing.
CCBu3		Improve the standard of energy efficiency within Council buildings through retrofit measures such as; insulation, glazing, installation of efficient / renewable heating systems, and reducing building electricity use.	2022	Energy efficiency works continue to be completed across the Council's assets. A full scoping exercise is needed to determine what remaining improvements can be made and this will inform a completion rate and investment need.
CCBu4		Further explore renewable energy opportunities for Council buildings, council office car parks and depots	2022-23	Work is ongoing with Welsh Government Energy Service to determine feasibility of sites for further renewable energy generation.
CCBu5		Design and refurbish buildings for carbon neutral / low energy operation, biodiversity net benefit and adaptation to the impacts of climate change.	2022	Mandatory requirement for new, extended and refurbished schools to be Net Zero Carbon in operation (NZCio). The first NZCio school is in plan. Ambitious plans also underway for first NZCio care home. New builds are estimated to have 20% cost increase to meet NZC standard.
CCBu6		Ensure green infrastructure is considered throughout all existing Council assets and future schemes	2022	Ongoing process identifying feasibility of potential green infrastructure projects on a case by case basis. Links have been made to ensure officers are consulted on potential of inclusion in future schemes.
CCBu7		Continue to carry out flood investigation and alleviation to identify proactive mitigation measures & prevent recurrent flooding	Ongoing	The Council's Flood Risk Management Strategy is being reviewed and will encompass areas of recurrent flooding.
CCBu8		Prioritise nature based solutions to flooding remediation proposals	Ongoing	This will also be encompassed in the Flood Risk Management Strategy review.

CCBu9	Tudalen 168	Explore feasibility for rainwater harvesting within Council assets, particularly on high water usage sites.	2023	<i>No update</i>
CCBu10		Support schools and Town & Community Councils to reduce operation's emissions and engage with our building users to encourage positive behaviour change	2022	Toolkits are being developed for schools and Town & Community Councils to provide advice and guidance on carbon footprint calculation and mitigation measures. This will include aspects of technology, behaviour and best practice.
CCBu11		Develop plan for the decarbonisation of Council homes in line with Welsh Government guidance to ensure optimised thermal efficiency and minimised cost of heating	2022	Decarbonisation strategy in development. Bid secured through Optimised Retrofit Programme for pilot housing scheme which will inform future schemes. Estimate £80k cost per house to meet NZC.
CCBu12		Continue to deliver programmes with private households and local businesses to reduce fuel poverty and provide access to wider energy efficiency and renewable energy schemes.	Ongoing	The Domestic Energy Efficiency Team continues to provide energy efficiency advice and support with installation of energy efficiency measures. Decarbonisation network developed for Deeside industrial area to develop aims and objectives and share good practice. Funding secured through Shared Prosperity Fund to provide grants for commercial carbon reduction feasibility studies.
CCBu13		Provide support through Flood Risk Planning to businesses and households to better implement property flood resilience	2024	Updated TAN 15 will be available June 2023 with guidance from NRW.

Ref.	Theme	Action	Target start date	Progress 2021/22
CCM1	Mobility & Transport	Review fleet policy with consideration for charging of vehicles.	2022	Policy under review to incorporate decarbonisation of fleet.
CCM2		Learning from accelerated change due to COVID-19, review and implement policies and initiatives that support the reduction of carbon emissions from business mileage. Continue to implement and develop agile working practices to reduce employee journeys and utilise virtual meetings. Act as an example to businesses.	2022-23	Hybrid Working Policy has been published encouraging flexible working approach and utilisation of virtual meetings.



CCM3	T ydale n 169	Ensure vehicle charging points are available at key areas across the county - rural and urban.	2022	17 electric vehicle charging points have been installed across 8 public car park sites across the county.
CCM4		Introduce electric vehicles into the recycling fleet	2022	2 x trial vehicles have been awarded by Welsh Government. These will be implemented into rounds once received and charging infrastructure has been established.
CCM5		Transition of small fleet vehicles to electric and alternative fuels (hydrogen, etc)	2023-24	<i>No update</i>
CCM6		Transition of heavy vehicles to electric or alternative fuels (hydrogen, etc)	2027	<i>No update</i>
CCM7		Facilitate a car sharing forum for employees – once measures post COVID-19 are reviewed.	Post-Covid	<i>No update</i>
CCM8		Actively promote the existing employee cycle to work scheme to increase participation and review cycle storage facilities at principle work places (i.e. County Hall, Mold, County Offices, Flint, Ty Dewi Sant and Alltami Depot)	2022	Review needed of resources required to improve uptake eg. Storage facilities, showering facilities, electric bike charging infrastructure, and sufficient safe cycle routes to work places.
CCM9		Promote and launch a managed salary sacrifice scheme for low and ultra-low emission vehicles.	2022	Launch of scheme delayed due to resource being allocated to other priorities.
CCM10		Promote use of public transport, active travel, and further develop the Council's walking and cycling network	2022	Active Travel Network has gone through consultation and moving to next stage improvements.
CCM11		Promote multi-modal transport journeys and the development of strategic transport hubs. Improve access to storage, charging and hiring facilities.	2022	Review of current transport hubs needed to determine if they are fit for purpose and any additional facilities needed to support active travel connections.
CCM12		Investigate further opportunities for reducing car use with consideration for local contexts and accessibility through ultra-low emission areas, car free zones and pedestrianised streets.	2023	Place plans will be developed during 2023-24 for town centres. The associated consultation processes will include car use needs within each town centre.
CCM13		Work with partners to enable greener fleet in the public transport sector (buses, rail, taxis) including Council contracted services such as school transport	2023	2 x electric buses are being introduced into the public service on a trial basis. This will allow for monitoring and review ready for wider roll out in future.

Ref.	Theme	Action	Target start date	Progress 2021/22
CCP1	Procurement	Review of procurement strategy in line with the Council's carbon ambitions to ensure specific measures around carbon and biodiversity are embedded in procurement process.	2022	Procurement Strategy currently being reviewed to reflect carbon ambitions and need for this to be embedded within procurement processes.
CCP2		Increase the utilisation of the TOMs (Themes, Outcomes and Measures) framework in procurement across the Council's operations by working with employees who manage procurement activities	2022-23	TOMs framework has recently been updated with additional carbon outcomes included. Key tenders need to be identified to target for carbon outcomes.
CCP3		Work collaboratively with Denbighshire County Council to develop a toolkit to ensure all procurement exercises are awarded giving appropriate consideration to carbon reduction priorities and monitor contract against declared emissions. Provide communication and training to all affected employees suppliers and prospective bidders.	2022-23	Working with Welsh Local Government Association (WLGA) to develop a toolkit for implementing carbon measure scoring within tender processes. Expected launch of toolkit early 2023. WLGA will also provide support to officers and suppliers in utilising the toolkit. Dedicated resource is required for embedding this into the Council's procurement process. Potential for joint resource with Denbighshire County Council as Joint Procurement authority.
CCP5		Enable carbon offsetting best practice schemes providing local place-based environmental outcomes, where required	2022-23	Research continues into best practice for carbon offsetting within procurement.
CCP6		Ensure carbon reduction is appropriately considered throughout Council procurement policy, strategy, business cases, commissioning templates, tender evaluations, etc.	2022-23	Commissioning form to be reviewed to include carbon reduction and Exceptions report to be modified to include carbon.

CCP7		Increase local participation and stakeholder involvement by working with local businesses to ensure decarbonisation and social value outcomes are achieved	2022-23	<i>No update</i>
CCP8		Work in collaboration where procurement of goods and services can be utilised on a regional or joint basis	2022-23	<i>No update</i>

Ref.	Theme	Action	Target start date	Progress 2021/22
CCL1	Land Use	Identify current carbon storage capacity within Council assets through mapping habitat types	2022-23	Mapping exercise is ongoing. Revenue is needed to commission this work.
CCL2		Investigate the potential of our land assets for new renewable energy installations and operating models and develop these schemes to increase the amount of energy generated from these sources	2022	Work is ongoing with Welsh Government Energy Service to determine feasibility of sites for further renewable energy generation.
CCL3		Undertake a study identifying land for habitat restoration and tree planting schemes within land assets to mitigate climate change and enhance biodiversity	2022-23	Land mapping exercise is ongoing. Sites have been identified for potential tree planting however further feasibility of these sites is needed.
CCL4		Audit the amount of herbicide and pesticide use on Council land assets	2023	Use of herbicide and pesticide is being recorded and where possible use is rationalised and alternatives adopted.
CCL5		Increase proportion of Council land managed for biodiversity	Ongoing	Network of 109 nature areas across county covering 11.8hectares – grassland estate with reduced mowing regime managed for wildflower diversity.
CCL6		Support the increase of tree canopy cover across the county in line with the Urban Tree and Woodland Plan.	Ongoing	Canopy cover at risk due to storm damage and ash dieback. Ash dieback action plan in place and opportunities being developed for further tree planting.
CCL7		Assess impacts of Ash Dieback and tree planting within Flintshire assets on canopy cover and net carbon sequestration	Ongoing	As above.
CCL8		Increase area with reduced mowing regimes to enhance biodiversity and increase carbon storage	Ongoing	<i>No update</i>

CCL9		Strengthen the monitoring of sustainable drainage systems (SuDs) installation and quality in new developments.	Ongoing	<i>No update</i>
CCL10		Explore best practice policies and encourage provision of space for food growing in new developments and vacant and under used sites	2023	Sites receiving improvements such as water harvesting measures. New sites identified for food growing and are going through feasibility. Currently 16 food growing sites across the county covering 3.8hectares.
CCL11		Review and improve recycling provision in Council offices, schools and public buildings and remove use of single-use plastics. Communicate and engage building users to utilise provision	2022-23	Review of recycling provision in Council buildings taking place. Trials of on-demand collections at schools are ongoing.
CCL12	Tudalen 172	Support circular economy initiatives diverting reusable items from disposal through recovery at Household Recycling Centres	Ongoing	Deconstruction and set aside available at household recycling centres for large household items to be repaired and reused or broken down into component parts for recycling. Working with Flintshire Refurbs and local charities.
CCL13		Create guidelines for Council procurement of food in offices, schools, etc, to be local and sustainable	2025	<i>No update</i>
CCL14		Undertake a land use strategy to ensure land is managed and protected for green infrastructure, decarbonisation and biodiversity benefit.	2023	<i>No update</i>
CCL15		Work with Tenant farmers to share best practice on sustainable farming, increasing carbon absorption and biodiversity value.	2023	<i>No update</i>
CCL16		Work with communities to increase biodiversity value and carbon storage.	Ongoing	<i>No update</i>
CCL17		Identify opportunities to acquire new Council land for the purpose of carbon sequestration and biodiversity enhancement.	2023-24	<i>No update</i>

Ref.	Theme	Action	Target start date	Progress 2021/22
CCBe1	Behaviour	Ensure climate change and biodiversity is considered a priority in decision making across all Council services	2022-23	Integrated Impact Assessment, Capital business case template, Asset Management Plan, Procurement Strategy and Due diligence form within Social Services have been reviewed to reflect carbon ambitions. Ongoing exercise to identify and review further key decision making policies.
CCBe2		Ensure Councillors and employees complete carbon literacy / introduction to climate change / Naturewise training. Inclusion of climate change within induction process.	2022-23	20 x Council employees have completed Carbon Literacy training. This should be a mandatory requirement for Elected Members and Senior Managers. Minimal financial cost of £10 per person can be absorbed through existing training budgets. E-learn module for climate change and biodiversity under development as part of a regional commission.
CCBe3		Engage employees and Trade Unions to renew job descriptions to include climate change and biodiversity responsibilities where applicable, e.g. managers, budget holders, planning.	2023-24	<i>No update</i>
CCBe4		Facilitate transition towards a 'paperless Council' through, for example, digitisation of wage slips, report packs, contracts, applications.	2022	Enrolment of new Elected Members included iPad and laptop to remove need for paper-based report packs post-May 2022. Default is that paper copies of reports are not sent out. Behavioural change communicating policy on printing needs to be adopted by Officers and Members.
CCBe5		Facilitate corporate volunteering for climate and biodiversity action	2023-24	<i>No update</i>
CCBe6		Investigate the possibility of divesting pensions and other investment portfolios away from fossil fuels in support of green energy.	2022	Clwyd Pension Fund have a climate change strategy in place to achieve net zero carbon by 2045. Divesting decisions are made by Committee. Investment of £50 mill agreed on clean energy projects in Wales. Sustainable active equity mandate being implemented.

CCBe7		Facilitate community events and activities to raise awareness of climate change and how to reduce carbon footprints.	2023	4 x events taken place as part of Wales Climate Week – energy saving and carbon footprint drop in sessions across the county. 'Calculating your carbon footprint' page launched on FCC website and climate change e-newsletter launched to over 900 subscribers.
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# Eitem ar gyfer y Rhaglen 8



## CABINET

<b>Date of Meeting</b>	Thursday 23rd February, 2023
<b>Report Subject</b>	Revenue Budget Monitoring Report 2022/23 (Month 9)
<b>Cabinet Member</b>	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

This monthly report provides the latest detailed overview of the budget monitoring position in 2022/23 for the Council Fund and Housing Revenue Account for the financial year and presents the position, based on actual income and expenditure as at Month 9.

This report projects how the budget would stand at the close of the financial year, without new actions to reduce cost pressures and/or improve the financial return on efficiency planning and cost control is:

#### **Council Fund**

- An operating deficit of £0.117m (excluding the impact of the pay award which has been met by reserves), which is a favourable movement of £0.235m from the deficit figure reported at Month 8.
- A projected contingency reserve available balance as at 31 March 2023 of £6.464m.

#### **Housing Revenue Account**

- Net in-year revenue expenditure forecast to be £3.208m higher than budget
- A projected closing balance as at 31<sup>st</sup> March, 2023 of £3.266m

Hardship Funding from Welsh Government helped secure over £16m of direct financial help in 2021/22 and we have continued to claim payments totalling £4.8m in 2022/23 for Self-isolation and Statutory Sick Pay Enhancement, along with Free School Meals direct payments and Winter Fuel Payments within their eligible periods.

## RECOMMENDATIONS

1	To note the report and the estimated financial impact on the 2022/23 budget.
2	To support the carry forward request included in paragraph 1.09
3	To support the funding from Contingency Reserve in paragraph 1.10

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE REVENUE BUDGET MONITORING 2022/23</b>
1.01	<p><b>Council Fund Projected Position</b></p> <p>The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning, is as follows:</p> <ul style="list-style-type: none"><li>• An operating deficit of £0.117m (excluding the impact of the pay award which has been met by reserves), which is a favourable movement of £0.235m from the figure reported at Month 8.</li><li>• A projected contingency reserve available balance as at 31 March 2023 of £6.464m.</li></ul> <p>To assist with managing risks and mitigating the overall projected overspend, the review of non-essential spend and a vacancy management process continues.</p>
1.02	<p>Hardship Funding from Welsh Government helped secure over £16m of direct financial help in 2021/22 and we have continued to claim payments totalling £4.8m in 2022/23 for Self-isolation and Statutory Sick Pay Enhancement, along with Free School Meals direct payments within their eligible periods. From the end of September, Winter Fuel Payments are also eligible to be claimed.</p>



1.03

**Table 1. Projected Position by Portfolio**

The table below shows the projected position by portfolio:

<b>Portfolio/Service Area</b>	<b>Approved Budget</b>	<b>Projected Outturn</b>	<b>In-Year Over / (Under) spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Social Services	77.969	78.658	0.689
Out of County Placements	15.101	16.070	0.969
Education & Youth	9.953	9.433	(0.520)
Schools	108.401	108.401	0.000
Streetscene & Transportation	38.466	39.602	1.136
Planning Env & Economy	6.797	6.351	(0.446)
People & Resources	4.332	4.255	(0.077)
Governance	10.755	10.092	(0.663)
Strategic Programmes	6.116	6.190	0.074
Assets	0.932	0.836	(0.096)
Housing & Communities	14.662	14.669	0.006
Chief Executive	1.636	1.540	(0.096)
Central & Corporate Finance	31.562	30.702	(0.859)
<b>Total</b>	<b>326.682</b>	<b>326.781</b>	<b>0.117</b>

1.04

The reasons for the projected variances are summarised within Appendix 1 and shows the detail of all variances over £0.050m and a summary of minor variances for each portfolio.

**Significant Movements from Month 8**

1.05

**Social Services (£0.109m)**

The net favourable movement relates to:

**Older People Services:**

- Localities (£0.033m) – Betsi Cadwaladr University Health Board have agreed to some additional joint funded care packages which has resulted in additional income.
- Regional Integration Fund (RIF) (£0.072m) – The “Step Down” RIF scheme enables quicker hospital discharge times by placing people into short term residential care placements before they return home. The costs which had been allocated to the Regional Integration Fund for short term care are no longer being projected to this budget heading. Current and future costs are now being incorporated into the

	<p>Localities budget. Additionally agreed health funding within the Localities budget has offset the impact of the additional expenditure.</p> <p><b>Adults of Working Age:</b></p> <ul style="list-style-type: none"> <li>• Resources and Regulated Services £0.052m and Transition and Disability Services (£0.039m) – Increased service demands and continued challenges in recruitment for the in-house supported living service have resulted in increased costs.</li> <li>• Supporting People (£0.047m) - There has been additional Supporting People funding provided this year.</li> <li>• Residential Placements Mental Health Services £0.041m - This is the result of changes to the cost of care packages for people requiring support with mental illness.</li> </ul> <p><b>Children's Services:</b></p> <ul style="list-style-type: none"> <li>• Family Placements (£0.040m) – Additional Revenue Integration Fund income has been offset against eligible allowances</li> <li>• Legal and Third Party £0.069m - Legal Costs for a high-cost court case.</li> <li>• Residential Placements (£0.038m) – The precise amount for an in-year Welsh Government grant has been confirmed.</li> </ul> <p>Minor variances across the Portfolio account for the remainder of the movement totalling (£0.002m).</p>
1.06	<p><b>Strategic Programmes £0.073m</b></p> <p>The movement relates to an agreed £0.050m contribution to support the Aura Pay award</p> <p>Minor variances across the Portfolio account for the remainder £0.023m.</p>
1.07	<p><b>Housing &amp; Communities (£0.119m)</b></p> <p>This is due in the main to an additional in-year allocation of No One Left Out grant from Welsh Government totalling £0.256m which has resulted in a positive movement of (£0.124m).</p> <p>Minor variances across the Portfolio account for the remainder £0.005m.</p>
1.08	<p>There are a number of minor variances across the other Portfolios each below £0.040m that account for the remainder of the overall movement (£0.080m).</p>
1.09	<p><b>Carry Forward Request</b></p> <p><u>Governance – ICT</u>  To request a carry forward of the £0.085m allocated to the procurement of replacement Servers for Schools. Due to other work pressures and the need for detailed consultation with the schools the Service have been unable to finalise the order and delivery of the server equipment for replacement of school servers. It is an expectation that ICT will be able to place and order in</p>

	<p>this financial year 2022/23, but delivery of the equipment will not occur before 31<sup>st</sup> March 2023 due to extended lead-in times.</p>
1.10	<p><b>Request for funding from Contingency Reserve</b></p> <p>A finding of fact hearing has concluded for a significant legal case within Children’s Services. The outcome of the hearing has resulted in a further court case being required. Legal expertise required to support the Council for this case is creating additional financial pressure and to date £0.108m of legal fees have been incurred and are being reported within the Children’s Services legal cost budget within this report. These fees will continue to increase until the court proceedings are finalised. Therefore, it is requested for a contribution of £0.250m from the Contingency Reserve to be allocated to offset current and future legal costs for these proceedings.</p>
1.11	<p><b>Tracking of In-Year Risks and Emerging Issues</b></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><b>Council Tax Income</b></p> <p>‘In-year’ Council Tax collection levels, up to December 2022, are 84.3% compared to 84.6% in the previous year. Collections remain challenging as the rising costs-of-living are impacting on the ability of some households to make payment of council tax on time. Current collections for 2022/23 are still 0.2% ahead of 2020/21 collections during the height of the pandemic.</p>
1.13	<p><b>Pay Award (Teacher and Non-Teacher)</b></p> <p>The offer from the National employers for NJC employees of £1,925 on all spinal column points has now been accepted with back pay made to employees in November. This equated to an increase of 2.54% on the highest scale point to 10.5% on the lowest point.</p> <p>The Minister for Education has confirmed the pay award for teachers at 5%.</p> <p>The Council has provided for an uplift of 3.5% for Teaching and Non-Teaching staff – the increase above this level requires the Council to utilise reserves to fund the difference in the current financial year.</p> <p><b>The impact on 2022/23 is as follows:</b> The in-year additional cost of the 2022/23 pay awards that have been met from reserves is £3.955m after taking into account the reversal of the additional 1.25% rate of National Insurance (NI) from November.</p>
1.14	<p><b>Other Tracked Risks</b></p> <p>In addition, there are a number of risks being tracked which may be subject to change and these are summarised below.</p>
1.15	<p><b>Medium Term Financial Strategy (MTFS) Impact</b></p>

	<p>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 together with feedback from the specific overview and scrutiny committees that were held throughout December. The report also reported on changes and risks to the additional budget requirement for 2023/24 which has increased to £32.978m.</p> <p>Work on the remaining risks 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 2024/25 and 2025/26.</p> <p>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.</p>
1.16	<p><b>Out of County Placements</b></p> <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.</p> <p>There is a projected net overspend of £0.969m for the current cohort of placements. However, this is likely to increase if demand for new placements remains at the current levels. There have been 62 new placements in the year to date with costs totaling £3.3m within the total projected spend for the year of £16.1m, which amounts to over 20%.</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>
1.17	<p><b>Benefits</b></p> <p>Council Tax Reduction Scheme (CTRS) – Based on current demand, costs are currently projected to be £0.732m below budget, although this will be monitored closely throughout the year due to the potential for growth.</p> <p>There is continued high demand across the whole of the Benefits service which is expected to remain the case for the foreseeable future. There is a significant pressure on recovery of overpayments which is a combination of a shortfall of recovery against the level of income target budget which is partly influenced by lower number of overpayments occurring, and also the need to increase the bad debt provision on historic debt.</p> <p>The increased staffing levels are still required, and those costs are now being met in full from the additional funding of £0.300m previously approved to provide the service with the additional flexibility needed to adapt to and meet the sustained increase in customer demand.</p>

1.18	<p><b>Homelessness</b></p> <p>The risk is a consequence of the cessation of funding support from the Welsh Government COVID-19 Hardship Fund at the end of 2021/22.</p> <p>Although, there is continued support via the new Homelessness – No One Left Out grant, with a further allocation of £0.256m being confirmed recently, this still falls well below the amount of support the Council received via the Hardship Fund in 2020/21 and 2021/22.</p> <p>Although it has been possible to contain some of the expected pressure through prepaid accommodation to the end of September 2022, which has been funded by the COVID-19 Hardship Fund, the expected continued high demand for temporary accommodation including short term Bed &amp; Breakfast provision will continue to present significant challenges. There is a recent trend of increased numbers of households in Bed &amp; Breakfast accommodation with numbers increasing progressively month on month from 29 in October to 61 in January, so more than doubling over a period of three months. This is due to a combination of more new placements and fewer households moving on. At this rate of net growth there remains a clear risk of overspend despite additional in-year funding having been provided by Welsh Government.</p> <p>The service continues to strategically use increased allocations of Housing Support Grant working with external partners, but there remains a risk that the costs of statutory provision of support for Homelessness may exceed existing funding provision from base budget and available grant funding.</p>
1.19	<p><b>School Transport</b></p> <p>Since the start of the Autumn school term from September 2022, there have been a number of transport pressures emerging relating to increased costs in the provision of additional key service routes for Additional Learning Needs (ALN) and Pupil Referral Units (PRU) from re-procurement increases and additional statutory provision that is necessary, as well as increased transport contractor costs due to fuel, insurance, driver costs etc. These increased costs currently impacting on 2022/23 outturn will continue into 2023/24 and these demands and increases will be considered within the final 2023/24 budget considerations.</p>
1.20	<p><b>Winter Maintenance</b></p> <p>Due to the amount of more severe winter weather encountered in January, in addition to the prolonged period of icy weather through December, spend is anticipated to exceed the £0.846m annual budget. Therefore, there is now likely to be a requirement of up to £0.150m required from the Winter Maintenance Reserve in 2022/23. It is recommended that consideration be given to replenishing the Winter Maintenance Reserve up to £0.250m from Contingency Reserve to mitigate the risk of increasing costs from more severe winters into the future.</p>

1.21	<p><b>Waste Recycling Infraction Charge</b></p> <p>Due to the Council not meeting the statutory minimum target 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 (64%) in 2021/22, Welsh Government can now take steps to impose a penalty on the Council by way of an infraction fine. This has been confirmed as a penalty of up to £0.663m so is a very significant financial risk to the Council. Discussions are set to take place between WG and the Council as to the reason for not achieving the target and whether the penalty will be levied.</p>								
1.22	<p><b>Achievement of Planned In-Year Efficiencies</b></p> <p>The 2022/23 budget contains £1.341m of specific efficiencies which are tracked and monitored throughout the year. The Council aims to achieve a 95% rate in 2022/23 as reflected in the MTFs KPI's and fully achieved all efficiencies in the previous financial year</p> <p>It is projected that all efficiencies will be achieved in 2022/23 and further details can be seen in Appendix 3.</p>								
1.23	<p><b>Unearmarked Reserves</b></p> <p>The final level of Council Fund Contingency Reserve brought forward into 2022/23 was £7.098m as detailed in the 2021/22 outturn report (subject to Audit). In addition, the Council has set-aside a further £3.250m to the carried forward £2.066m COVID-19 Emergency Reserve being a total of £5.316m as a safeguard against the continuing impacts of the pandemic (additional costs and lost income).</p> <p>Some claims for March 2022 were disallowed by WG and Internal claims for Quarter 1 and 2 have been made in 2022/23 relating to additional costs in Schools, Streetscene &amp; Transportation and for income losses within AURA and Holywell Leisure Centre. These currently total £1.594m and the balance on the COVID-19 Emergency Reserve is currently £3.722m.</p> <p>The earmarked reserve of £2.432m from the additional Revenue Support allocation received at the end of the 2021/22 financial year has been transferred to the Contingency Reserve to enhance the level remaining as reported at Month 8.</p> <p>After taking into account all of the above there is a projected contingency reserve available balance as at 31 March 2023 of £6.464m.</p>								
1.24	<p><b>Council Fund Earmarked Reserves</b></p> <p>The table below gives a summary of earmarked reserves as at 1 April 2022 and an estimate of projected balances as at the end of the current financial year.</p> <p><b>Monitoring Summary Month 9</b></p> <table border="1" data-bbox="316 1995 1404 2096"> <thead> <tr> <th data-bbox="316 1995 799 2096">Reserve Type</th> <th data-bbox="807 1995 999 2096">Balance as at 01/04/22</th> <th data-bbox="1007 1995 1198 2096">Balance as at Month 9</th> <th data-bbox="1206 1995 1404 2096">Estimated Balance as at 31/03/23</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Reserve Type	Balance as at 01/04/22	Balance as at Month 9	Estimated Balance as at 31/03/23				
Reserve Type	Balance as at 01/04/22	Balance as at Month 9	Estimated Balance as at 31/03/23						

	Service Balances	4,697,596	2,793,850	1,187,565
	Workforce Costs	877,786	877,786	854,567
	Investment in Organisational Change	1,617,975	1,552,674	1,061,545
	County Elections	291,851	291,851	235,913
	Local Development Plan (LDP)	242,360	242,360	242,360
	Warm Homes Admin Fee	297,925	297,925	202,068
	Waste Disposal	48,771	48,771	48,771
	Design Fees	250,000	250,000	125,000
	Winter Maintenance	250,000	250,000	250,000
	Severe Weather	250,000	250,000	119,550
	Car Parking	45,403	45,403	0
	Insurance Reserves	2,135,817	2,135,817	2,350,000
	Cheque Book Schools	3,814	0	0
	School HWB ICT Replacement	263,223	263,223	263,223
	Free School Meals	115,522	115,522	0
	Flintshire Trainees	696,631	696,631	612,843
	Rent Income Shortfall	12,779	12,779	0
	Plas Derwen Wave 4	1,780	1,780	1,780
	Customer Service Strategy	22,468	22,468	0
	Supervision Fees	48,798	48,798	48,798
	IT COVID Enquiry	0	160,000	160,000
	ICT Servers Reserve	85,000	85,000	0
	IT Infrastructure HWB	327,442	312,442	0
	Schools Intervention Reserve	491,133	467,133	434,023
	Organisational Change/ADM	274,154	274,154	240,654
	NWEAB	210,644	210,644	210,644
	Solar Farms	0	57,940	57,940
	Employment Claims	109,846	109,846	109,846
	Community Benefit Fund NWRWTP	450,653	450,653	229,792
	<b>Total B823 Balances</b>	<b>9,421,775</b>	<b>9,531,600</b>	<b>7,859,317</b>
	Schools Balances	12,291,688	12,291,688	5,100,000
	Grants & Contributions	10,776,156	7,930,312	6,055,888
	<b>TOTAL</b>	<b>37,187,216</b>	<b>32,547,450</b>	<b>20,202,770</b>
1.25	<b>Housing Revenue Account</b>			
	The 2021/22 Outturn Report to Cabinet on 12 July 2022 showed an un-earmarked closing balance at the end of 2021/22 of £3.616m and a closing balance of earmarked reserves of £1.622m.			
1.26	The 2022/23 budget for the HRA is £37.755m which includes a movement of £2.858m to reserves.			
1.27	The monitoring for the HRA is projecting in year expenditure to be £3.208m higher than budget and a closing un-earmarked balance as at 31 March 2023 of £3.266m, which at 8.71% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%. Appendix 4 attached refers.			

1.28	<p>The monthly movement of £0.132m from Month 9 is as follows:</p> <ul style="list-style-type: none"> <li>Income £0.148m – Delay in the introduction of grant income relating to SHARP Schemes</li> </ul> <p>Minor movements account for the remainder (£0.016m)</p>
1.29	<p>The budget contribution towards capital expenditure (CERA) is £10.898m with the actual contribution projected to be £13.755m at outturn.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	As set out within the report.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	<p>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.</p>

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	None specific.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<p>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</p>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Various budget records.

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Dave Ledsham  Strategic Finance Manager</p>



	<b>Telephone:</b> 01352 704503
	<b>E-mail:</b> <a href="mailto:dave.ledsham@flintshire.gov.uk">dave.ledsham@flintshire.gov.uk</a>

8.00	GLOSSARY OF TERMS
8.01	<p><b>Budget:</b> 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><b>Council Fund:</b> the fund to which all the Council's revenue expenditure is charged.</p> <p><b>Financial Year:</b> the period of twelve months commencing on 1 April.</p> <p><b>Housing Revenue Account:</b> 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><b>Intermediate Care Fund:</b> Funding provided by Welsh Government to encourage integrated working between local authorities, health and housing.</p> <p><b>Projected Outturn:</b> projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.</p> <p><b>Reserves:</b> 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><b>Revenue:</b> 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><b>Variance:</b> 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><b>Virement:</b> 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
<b>Social Services</b>		
<b>Older People</b>		
Localities	-0.033	Betsi Cadwaladr University Health Board have agreed to some additional joint funded care packages which has resulted in additional income.
Regional Integration Fund	-0.072	The costs which had been allocated to the Regional Integration Fund for short term care are no longer being projected to this budget heading. Current and future costs are now being incorporated into the Localities budget. Additional health funding agreed within the Localities budget has offset the impact of the additional expenditure.
Minor Variances	-0.011	
<b>Adults of Working Age</b>		
Resources & Regulated Services	0.052	Increased service demands and continued challenges in recruitment for the in-house supported living service have resulted in increased costs.
Transition & Disability Services Team	-0.039	Budget has been increased to fund a post designated specifically for ensuring a successful process around joint funded care package applications. Increasing budgets where additional income from Health was agreed across commissioned care budgets within adult social care has enabled this.
Supporting People	-0.047	There has been additional Supporting People funding provided this year.
Residential Placements	0.041	This reflects the change to to costs of care packages for people requiring support for mental ill health
Minor Variances	-0.001	
<b>Children's Services</b>		
Family Placement	-0.040	Additional Revenue Integration Fund income has been offset against eligible allowances
Legal & Third Party	0.069	Legal Costs for a high cost court case.
Residential Placements	-0.038	The precise amount for an in-year Welsh Government grant has been confirmed.
Minor Variances	0.011	
<b>Total Social Services (excl Out of County)</b>	<b>-0.109</b>	
<b>Out of County</b>		
Children's Services	-0.038	Net impact of cost of 4 new placements less partial reduction of contingency provision
Education & Youth	0.018	
<b>Total Out of County</b>	<b>-0.020</b>	
<b>Education &amp; Youth</b>		
School Planning & Provision	0.027	Reduced savings on salaries
Minor Variances	-0.037	
<b>Total Education &amp; Youth</b>	<b>-0.011</b>	
<b>Schools</b>	<b>0.000</b>	
<b>Streetscene &amp; Transportation</b>		
Other Minor Variances	0.006	
<b>Total Streetscene &amp; Transportation</b>	<b>0.006</b>	
<b>Planning, Environment &amp; Economy</b>		
Development	-0.119	One off Application Fee received £0.117m in Highways Development Control, revised projections in Fee Income Development Management
Access	0.069	Revised projection for Ash Die Back Costs to March, 2023
Management & Strategy	0.054	At Month 9 resulting from issues with the new Agile Case Management System requiring a commitment for a potential renewal of the contract with Civica for a further one year use of Flare.
Impact of Covid-19	0.000	COVID Costs covered from Contingency Reserve
Minor Variances	0.005	
<b>Total Planning &amp; Environment</b>	<b>0.008</b>	
<b>People &amp; Resources</b>		
HR & OD	0.006	
Corporate Finance	-0.043	At Month 9 receipt of Welsh Government Admin Fee for Administering the Free School Meals Programme
<b>Total People &amp; Resources</b>	<b>-0.037</b>	
<b>Governance</b>		
Minor Variances	-0.017	
<b>Total Governance</b>	<b>-0.017</b>	
<b>Strategic Programmes</b>		
ADM's & CAT's	0.073	Adverse variance as a result of an agreed £0.050m contribution to support the Aura Pay award, £0.023m minor variances.
<b>Total Strategic Programmes</b>	<b>0.073</b>	
<b>Assets</b>		
Minor Variances	-0.026	Industrial Units (£0.021m) and other services combined (£0.005m)
<b>Total Assets</b>	<b>-0.026</b>	
<b>Housing and Community</b>		
Housing Solutions	-0.123	Additional allocation of No One Left Out grant from WG
Minor Variances	0.005	
<b>Total Housing and Community</b>	<b>-0.119</b>	
<b>Chief Executive's</b>	<b>-0.009</b>	
<b>Central &amp; Corporate Finance</b>	<b>0.009</b>	
Central Loans & Investment Account	0.016	
<b>Grand Total</b>	<b>-0.235</b>	

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## Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
<b>Social Services</b>							
<b>Older People</b>							
Localities	20.679	20.104	-0.575		-0.543	The commissioned Older People domiciliary and Direct Payment budget is projecting an underspend of £0.903m based on recent activity. There are recruitment and retention challenges within this service which is severely limiting the amount of homecare which can be commissioned, The residential care budget is projecting a £0.339m overspend due to the cost of placements net of income such as Free Nursing Care, Regional Integration Fund contributions and property income. The Localities staffing budget is expected to overspend by £0.009m, There is an underspend on the Day Care budget of £0.033m and an overspend of £0.044m on the Minor Adaptations budget.	
Regional Integration Fund	0.000	0.151	0.151		0.223	The Step Down Regional Integration Fund (RIF) scheme which enables quicker hospital discharges by placing people into short term care before they can return home safely has been spent in full. At this time it seems unlikely that additional funding will be allocated.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Minor Variances	10.190	10.195	0.006		0.017		
<b>Adults of Working Age</b>							
Resources & Regulated Services	29.481	29.877	0.396		0.344	The PDSI (Physically Disabled and Sensory Impaired) budget is reporting a £0.142m overspend due to net costs of care packages. The in-house supported living service £0.261m overspent and will likely increase further as recruitment challenges continue and service demand increases. The Learning Disability Daycare and Workscheme budget is £0.079m overspent due in part to recent inflationary pressures. The care package costs for independently provided care for Learning Disability Services is a £0.087m underspend.	
Children to Adult Transition Services	0.951	1.086	0.134		0.150	These are the costs of care for young adults who are transferring to Adult Social Care from Childrens Services within this financial year. Care costs are initially estimated but once services have been confirmed the actual costs may be different.	
Residential Placements	1.956	2.477	0.522		0.481	The overspend is due to the current cost of commissioned care packages to support people with mental ill health.	
Professional Support	0.774	0.831	0.057		0.050	Increased contributions to the Emergency Duty Team have resulted in the majority of the overspend on this budget.	
Minor Variances	3.259	3.059	-0.200		-0.122		

## Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
<b>Children's Services</b>							
Family Placement	2.862	2.742	-0.120		-0.080	The underspend is due to current spend for in-house Foster Placements and Special Guardianship Orders.	
Grants	0.236	0.287	0.051		0.051	There are a number of smaller variances which contribute to the overspend on the integrated working budget. These include a £0.010m additional cost for advocacy and variation to pay forecasts for the Accommodation/Supporting People Team.	
Family Support	0.375	0.503	0.128		0.138	Costs are based upon the current activity levels over the laast few months and projected forward for the rest of the year. Workforce costs, mostly sessional staff are the primary cost driver for this service.	
Legal & Third Party	0.232	0.762	0.530		0.461	Legal costs are overspent by £0.311m due to the number of cases going through the courts and some use of external professionals. One particular significant court case is resulting in costs to date of £0.108m. Direct Payments also continue to increase in demand and are overspending by £0.220m.	
Residential Placements	1.312	0.795	-0.517		-0.479	The in-year opening of in-house Childrens Residential Care settings will mean one off costs savings. There is also one off Welsh Government Grant funding.	
Professional Support	6.173	6.653	0.480		0.459	To support adequate levels of child protection, the established staffing structure needs to be at a sufficient level to meet mandatory safeguarding standards. Vacancies are minimised and additional temporary posts are sometimes required to meet the challenges and demands of Childrens Services. There is an assumption the Welsh Government will allow for some flexible use of grants which would allow for some costs to be offset.	
Minor Variances	0.440	0.442	0.002		0.002		
<b>Safeguarding &amp; Commissioning</b>							
Business Systems & Financial Assessments	0.831	0.904	0.073		0.077	There are additional one off costs for £0.018m for an IT system upgrade. In addition there are additional staff costs due to temporary uplift in hours and additional business suport assistants. These additional posts are being funded using the underspend from the Business Support Service.	
Charging Policy income	-3.104	-3.224	-0.120		-0.120	Increased demands on the Older People Residential Care budget are expected to result in higher income achievement	
Business Support Service	1.195	1.145	-0.050		-0.055	The underspend is due to a decrease in staff costs because of vacancies which are unlikely to be filled this year.	

## Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Safeguarding Unit	1.291	1.103	-0.187		-0.191	A consultation for updated Liberty Protection Safeguard legislation continues to be undertaken. Due to the delay in implementing the legislation there will be an in year saving.	
Commissioning	0.679	0.623	-0.056		-0.051	Vacancies are not being filled immediately and are resulting in one off savings.	
Impact of Covid-19	0.000	-0.000	-0.000	-0.000	-0.000		
Minor Variances	-1.843	-1.857	-0.014		-0.015		
<b>Total Social Services (excl Out of County)</b>	<b>77.969</b>	<b>78.658</b>	<b>0.689</b>	<b>-0.000</b>	<b>0.798</b>		
<b>Out of County</b>							
Children's Services	10.097	11.439	1.342		1.380	The projected overspend reflects significant additional demands on the service in the year to date with 36 new placements having been made in the year to date - most of which are high cost residential placements - there is provision for a contingency sum of £0.150m, for net impacts of further new placements and other placement changes, but this may not prove to be enough.	
Education & Youth	5.004	4.631	-0.373		-0.392	The latest underspend reflects projected costs for the current cohort of placements and there have been 25 new placements in the year to date with further new placements also likely to emerge as the year progresses, for which contingency provision of £0.050m has been made.	
<b>Total Out of County</b>	<b>15.101</b>	<b>16.070</b>	<b>0.969</b>	<b>0.000</b>	<b>0.988</b>		
<b>Education &amp; Youth</b>							
Inclusion & Progression	5.251	5.132	-0.119		-0.108	The underspend position reflects savings within the Additional Learning Needs service by maximising grants. Staff on long term sick and now left, reducing costs within the ALN service further. Savings have also been captured within the EAL (English as an Additional Language) service by maximising grants against core staff. Further savings have been identified from the Autism post due to a delayed start. Savings in Plas Derwen are as a result of part year vacancies and delays in filling posts.	
Integrated Youth Provision	1.035	0.962	-0.073		-0.061	The projected underspend is mainly due to staffing savings	

## Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
School Improvement Systems	1.889	1.702	-0.187		-0.164	Payments to Non Maintained Settings and Maintained Settings projected similar to those in 21/22. Welsh Government have announced continuation of Top-up funding to £5 per hr, so gives the Early Entitlement budget increasing financial capacity. Alongside this, RRRS (Recruit, Recover and Raise Standards) and Early Years Pupil Development grant increases announced, allow core budget to be released. Savings have also been identified within the School Improvement service by maximising Post 16 and Adult Community Learning grants to offset core staff.	
School Planning & Provision	0.671	0.602	-0.069		-0.096	Projected underspend on insurance liability claims costs and some salary savings	
Minor Variances	1.106	1.035	-0.071		-0.081		
<b>Total Education &amp; Youth</b>	<b>9.953</b>	<b>9.433</b>	<b>-0.520</b>	<b>0.000</b>	<b>-0.510</b>		
<b>Schools</b>	<b>108.401</b>	<b>108.401</b>	<b>-0.000</b>		<b>-0.000</b>		
<b>Streetscene &amp; Transportation</b>							
Service Delivery	9.277	9.550	0.273		0.266	The service has a recurring revenue pressure of £0.100m for security costs due to vandalism/break-ins at the Household Recycling Centres. Street lighting is also incurring a £0.070m revenue pressure on the community council income budget. The remaining £0.100m is attributable to high sickness levels/agency costs. The service is also expected to cover YTD costs of £0.060m related to the State Funeral and Proclamation Events. The overall overspend is partially offset by additional income achieved through in-house construction work.	
Highways Network	8.096	8.588	0.492		0.492	Highways is incurring a pressure of £0.400m in Fleet services as a result of rising fuel costs. An additional £0.050m is due to an increase in contractor costs for weed spraying following a recommendation from Scrutiny Committee, which cannot be covered from existing budgets.	

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## Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Transportation	10.031	10.487	0.456		0.458	Local bus subsidy is incurring additional overspend of £0.100m due to Park and Ride Service and Service 5 re-procurement. School Transport is incurring a revenue pressure of £0.090m, due to a shortfall in budget for 3 school days driven by Easter timelines in this financial year. Since P5, there has been an additional pressure of £0.200m in School Transport due to additional routes (PRUs/ALN) for 6 routes in total equating to £2,700 extra per day. School transport is also facing an additional revenue pressure of £0.030m in P7 due to capacity issues on a commercial bus service. There may be further cost increases towards the end of this financial year end due to rising transport operator costs (fuel, driver wages, insurance, energy etc.).	
Regulatory Services	11.062	10.977	-0.085		-0.087	The Service is incurring £0.060m pressure due to increased residual waste tonnages, which is creating a risk in achieving WG Recycling targets. The overspend is largely offset by an underspend of £0.053m due to vacancies within the service, increased rebates for the sale of electricity, recycling income and car parking income, which has increased income by £0.064m, including other minor variances with reduction in recycling disposal costs of £0.030m.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
<b>Total Streetscene &amp; Transportation</b>	<b>38.466</b>	<b>39.602</b>	<b>1.136</b>	<b>0.000</b>	<b>1.130</b>		
<b>Planning, Environment &amp; Economy</b>							
Community	0.890	0.967	0.077		0.078	Fee income shortfalls in Licensing and Pest Control and historic business planning efficiency £0.024m not realised	
Development	0.146	-0.547	-0.693		-0.574	Favourable variance following receipt of two high value one off Planning Fee each approx £0.300m	
Access	1.446	1.600	0.154		0.085	Adverse variance relates to the projected costs of Ash Die Back to March, 2023, together with historic grant income target not realised	
Regeneration	0.807	0.738	-0.069		-0.047	Review and reduction of commitments; minor variances across the service	
Management & Strategy	1.343	1.412	0.069		0.016	At Month 9 resulting from issues with the new Agile Case Management System requiring a commitment for a potential renewal of the contract with Civica for a further one year use of Flare.	
Impact of Covid-19	0.000	0.000	0.000	0.000	0.000		
Minor Variances	2.166	2.181	0.015		-0.012		
<b>Total Planning &amp; Environment</b>	<b>6.797</b>	<b>6.351</b>	<b>-0.446</b>	<b>0.000</b>	<b>-0.454</b>		
<b>People &amp; Resources</b>							
HR & OD	2.291	2.289	-0.002		-0.008		

## Budget Monitoring Report

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
Corporate Finance	2.041	1.966	-0.075		-0.032	At Month 9, receipt of a 50% Welsh Government Admin Grant for administering the Free School Meals Programme	
<b>Total People &amp; Resources</b>	<b>4.332</b>	<b>4.255</b>	<b>-0.077</b>	<b>0.000</b>	<b>-0.040</b>		
<b>Governance</b>							
Legal Services	0.884	0.957	0.074		0.065	Additional costs for locum services covering vacant posts	
Democratic Services	2.374	2.297	-0.076		-0.078	Variance as a result of the Members Allowances new rate not being implemented until May, 2022 and lower than anticipated take up of both Broadband and Pension Allowances (£0.108m) ; mitigated by the inception of the new Climate Change Committee Chair person Allowance plus minor variances across Service	
Internal Audit	1.016	0.953	-0.063		-0.049	Vacancy savings together with revised/reduced projected cost for Postage within Central Despatch	
ICT	4.953	4.889	-0.064		-0.067	Vacancy Savings and reduced Contribution to Denbighshire County Council for the Procurement Service	
Customer Services	1.008	0.843	-0.165		-0.164	Registrars Fee Income higher than anticipated and savings from vacant posts	
Revenues	0.201	-0.150	-0.351		-0.338	The variance results from the projected potential surplus on the Council Tax Collection Fund (£0.277m) based on current information; minor variance across the service	
Impact of Covid-19	0.000	0.001	0.001	0.001	0.001		
Minor Variances	0.320	0.303	-0.017		-0.017		
<b>Total Governance</b>	<b>10.755</b>	<b>10.092</b>	<b>-0.663</b>	<b>0.001</b>	<b>-0.645</b>		
<b>Strategic Programmes</b>							
ADM's & CAT's	6.069	6.143	0.074		0.001	Adverse variance as a result of an agreed £0.050m contribution to support the Aura Pay award, £0.024m minor variances.	
<b>Total Strategic Programmes</b>	<b>6.116</b>	<b>6.190</b>	<b>0.074</b>	<b>0.000</b>	<b>0.001</b>		
<b>Assets</b>							
Caretaking & Security	0.309	0.229	-0.080		-0.082	Savings on staffing due to vacancies	
Industrial Units	-1.527	-1.585	-0.058		-0.038	Reduced costs of Repair and Maintenance plus some additional rent income	
Minor Variances	2.150	2.192	0.042		0.049		
<b>Total Assets</b>	<b>0.932</b>	<b>0.836</b>	<b>-0.096</b>	<b>0.000</b>	<b>-0.070</b>		
<b>Housing and Community</b>							
Minor Variances	14.662	14.669	0.006		0.125		
<b>Total Housing and Community</b>	<b>14.662</b>	<b>14.669</b>	<b>0.006</b>	<b>0.000</b>	<b>0.125</b>		

**Budget Monitoring Report**

Service	Approved Budget (£m)	Projected Outturn (£m)	Annual Variance (£m)	Impact of Covid-19 (£m)	Last Month Variance (£m)	Cause of Major Variances greater than £0.050m	Action Required
<b>Chief Executive's</b>	1.636	1.540	-0.096		-0.087	Variance relates to vacant post and not all staff at top of scale	
<b>Central &amp; Corporate Finance</b>	28.779	27.864	-0.915		-0.924	Over recovery of planned pension contributions recoupement against actuarial projections based on the current level of contributions together with a revised projection on the Central Loans & investment Account (CLIA) reported at Month 6	
Centralised Costs	2.783	2.778	-0.005		-0.005		
Central Loans & Investment Account	0.000	0.060	0.060		0.044	IFRS 9 requires that for soft loans interest is accrued at the Effective Interest Rate (EIR) rather than the Contract Interest Rate. Capital financing regulations require that soft loan accounting doesn't impact on Council Tax levels.	
<b>Grand Total</b>	<b>326.682</b>	<b>326.799</b>	<b>0.117</b>	<b>0.000</b>	<b>0.352</b>		

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2022/23 Efficiencies Outturn Tracker - Month 9

Efficiency Description	Accountable Officer	Efficiency Target	Projected Efficiency	(Under)/Over Achievement	Efficiency Open/Closed (O/C)	Confidence in Achievement of Efficiency - Based on (see below) R = High Assumption A = Medium Assumption G = Figures Confirmed
<b>Portfolio</b>		<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>		
		<b>£m</b>	<b>£m</b>	<b>£m</b>		
<b>Corporate</b>						
Increase in Reserves	Rachel Parry Jones	0.471	0.471	0.000	C	G
Utility Inflation	Rachael Corbelli	0.085	0.085	0.000	C	G
Efficiency from Restructure	Corporate Policy	0.025	0.025	0.000	C	G
Recharge to HRA	Chief Executive post to HRA 50%	0.027	0.027	0.000	C	G
<b>Total Corporate Services</b>		<b>0.608</b>	<b>0.608</b>	<b>0.000</b>		
<b>Housing &amp; Assets</b>						
Connahs Quay Power Station	Neal Cockerton	0.290	0.290	0.000	C	G
Rent Newydd	Neal Cockerton	0.020	0.020	0.000	C	G
<b>Total Housing &amp; Assets</b>		<b>0.310</b>	<b>0.310</b>	<b>0.000</b>		
<b>Social Services</b>						
Sleep in Pressure not Required	Neil Ayling	0.123	0.123	0.000	C	G
<b>Total Social Services</b>		<b>0.123</b>	<b>0.123</b>	<b>0.000</b>		
<b>Governance</b>						
Single Person Discount Review (One Off)	Gareth Owens	0.300	0.300	0.000	O	G
<b>Total Governance</b>		<b>0.300</b>	<b>0.300</b>	<b>0.000</b>		
<b>Total 2022/23 Budget Efficiencies</b>		<b>1.341</b>	<b>1.341</b>	<b>0.000</b>		

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	%	£
Total 2022/23 Budget Efficiencies	100	1.341
Total Projected 2022/23 Budget Efficiencies Underachieved	0	0.000
Total Projected 2022/23 Budget Efficiencies Achieved	100	1.341
Total 2022/23 Budget Efficiencies (Less Previously agreed Decisions)	100	0.000
Total Projected 2022/23 Budget Efficiencies Underachieved	0	0.000
Total Projected 2022/23 Budget Efficiencies Achieved	0	0.000

Corporate Efficiencies Remaining from Previous Years

Income Target Remaining	£m	
Income Target Efficiency remaining from Previous Years	All Portfolios	0.041
Fees and charges increase 1st October, 2022	Full Year effect 1st April 2023	(0.026)
<b>Total Income Efficiency Remaining</b>		<b>0.015</b>

(0.015)

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**Movements on Council Fund Unearmarked Reserves**

	£m	£m
Total Reserves as at 1 April 2022	18.438	
Less - Base Level	(5.769)	
<b>Total Reserves above base level available for delegation to Cabinet</b>		12.669
Less - COVID-19 Emergency Funding Allocation		5.316
Less - Childrens Services Social Work Costs (approved 21/22)		0.157
Less - Children's Services front door service - agency workers (approved by Cabinet on 28th June)		0.300
Add - Total Balances Released to Reserves (Month 5)		1.208
Add - Additional Revenue Support (Month 8)		2.432
Less - impact of the final pay awards		3.955
Less - Month 9 projected outturn		0.117
<b>Total Contingency Reserve available for use</b>		<b>6.464</b>

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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
<b>Housing Revenue Account</b>						
Income	(37.755)	(37.161)	0.593	0.445	We are currently projecting a variance of £0.530m due to loss of rental income in relation to void properties. Of this, £0.387m relates to void properties, £0.095m relates to utilities costs on void properties and £0.048m relates to void garages. Additional income in respect of new properties transferred into the stock during the year (£0.045m). Pressure relating to the draw down of grant in respect of delayed SHARP schemes £0.158m. We are forecasting a reduction in the requirement to top up the Bad Debt Provision of (£0.075). The remaining £0.025m relates to other minor variances.	
Capital Financing - Loan Charges	6.723	6.723				
Estate Management	2.263	2.010	(0.253)	(0.259)	Additional cost of agency positions of £0.170m, which is offset by vacancy savings of (£0.230m) and additional funding from the Housing Support Grant of (£0.120m). Other minor variances of (£0.073m).	
Landlord Service Costs	1.265	1.349	0.084	0.095	Salary savings of (£0.057m) are currently being projected within the service which offset agency costs of £0.023. There is a forecasted pressure on utilities costs of £0.104m. The remaining variance of £0.014m is down to other minor movements.	
Repairs & Maintenance	10.908	10.974	0.065	0.079	There are a number of vacant trades positions which are being covered by agency, leading to an additional net cost of £0.066m. Vacancy savings of (£0.034m) in respect of Admin posts have also been identified. Savings on the cost of materials of (£0.102m). Additional cost of fleet forecasted to be £0.154m due to factors such as rising fuel costs. Other minor variances of (£0.019m).	
Management & Support Services	2.716	2.578	(0.139)	(0.140)	Savings of (£0.067m) have been projected based on current vacancies within the service and a further (£0.171m) efficiency has been identified through a review of central support recharges. Costs of legal advice in respect of the Renting Homes Wales Act £0.019m. Pressure in relation to insurance costs currently forecasted to be £0.102m. Other minor variances of (£0.022m).	
Capital Expenditure From Revenue (CERA)	10.898	13.755	2.857	2.857		
HRA Projects	0.122	0.122	(0.000)	(0.000)		
Contribution To / (From) Reserves	2.858	2.858				
<b>Total Housing Revenue Account</b>	<b>(0.000)</b>	<b>3.208</b>	<b>3.208</b>	<b>3.076</b>		

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# Eitem ar gyfer y Rhaglen 9



## CABINET

<b>Date of Meeting</b>	Thursday, 23 <sup>rd</sup> February 2023
<b>Report Subject</b>	Capital Programme Monitoring 2022/23 (Month 9)
<b>Cabinet Member</b>	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The report summarises changes made to the Capital Programme 2022/23 since it was set in December 2021 to the end of Month 9 (December 2022), along with expenditure to date and projected outturn.

The Capital Programme has seen a net decrease in budget of (£20.414m) during the period which comprises of:-

- Net budget decrease in the programme of (£13.750m) (See Table 2 - Council Fund (CF) (£13.283m), Housing Revenue Account (HRA) (£0.467m));
- Carry Forward to 2023/24 approved at Month 6 of (£4.562m) and additional Free Schools Meals grant (£1.767m) (all CF);
- Identified savings at Month 9 of (£0.335m) (CF)

Actual expenditure was £35.294m (See Table 3).

Capital receipts received in the third quarter of 2022/23, along with savings identified total £0.882m. This gives a revised projected surplus in the Capital Programme at Month 9 of £4.258m (from a Month 6 funding position surplus of £3.376m) for the 2022/23 – 2024/25 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 1.13.
3	Approve the additional allocations, as set out in 1.15.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE CAPITAL PROGRAMME MONITORING POSITION – MONTH 9 2022/23</b>
1.01	<b>Background</b> <p>The Council approved a Council Fund (CF) Capital Programme of £37.469m for 2022/23 at its meeting on 7<sup>th</sup> December 2021 and a Housing Revenue Account (HRA) Capital Programme of £25.074m for 2022/23 at its meeting on 15<sup>th</sup> February 2022.</p>
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	<b>Changes since Budget approval</b> <p>Table 1 below sets out how the programme has changed during 2022/23. More detailed cumulative information relating to each Portfolio is provided in Appendix A:-</p>

**Table 1**

REVISED PROGRAMME	Original Budget 2022/23	Carry Forward from 2021/22	2022/23 Previously Reported		Savings - This Period	Changes - This Period	Revised Budget 2022/23
			Changes	Carry Forward to 2023/24			
			£m	£m			
People & Resources	0.350	0.155	(0.060)	0.000	0.000	(0.245)	0.200
Governance	0.363	0.383	0.000	0.000	0.000	0.000	0.746
Education & Youth	10.010	6.057	(3.518)	(2.448)	0.000	1.564	11.665
Social Services	1.364	1.038	2.337	(0.189)	(0.082)	0.968	5.436
Planning, Environment & Economy	0.128	0.817	2.914	(0.657)	(0.018)	0.005	3.189
Streetscene & Transportation	3.519	2.683	12.928	(3.706)	0.000	(0.222)	15.202
Strategic Programmes	19.400	0.964	0.052	(0.275)	0.000	(15.353)	4.788
Housing and Communities	1.660	0.386	0.286	0.000	(0.235)	0.000	1.847
Capital Programme and Assets	0.675	1.243	0.035	(0.597)	0.000	0.000	1.356
<b>Council Fund Total</b>	<b>37.469</b>	<b>13.726</b>	<b>14.974</b>	<b>(7.872)</b>	<b>(0.335)</b>	<b>(13.283)</b>	<b>44.429</b>
<b>HRA Total</b>	<b>25.074</b>	<b>0.000</b>	<b>2.529</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.467)</b>	<b>27.136</b>
<b>Programme Total</b>	<b>62.543</b>	<b>13.726</b>	<b>17.503</b>	<b>(7.872)</b>	<b>(0.335)</b>	<b>(13.750)</b>	<b>71.565</b>

1.04

**Carry Forward from 2021/22**

Carry forward sums from 2021/22 to 2022/23, totalling £13.726m (CF £13.726m, HRA £0.000m), were approved as a result of the quarterly monitoring reports presented to Cabinet during 2021/22.

1.05

**Changes during this period**

Funding changes during this period have resulted in a net decrease in the programme total of £13.750m (CF (£13.283m), HRA (£0.467m)). A summary of the changes, detailing major items, is shown in Table 2 below:-

**Table 2**

<b>CHANGES DURING THIS PERIOD</b>		
	<b>Para</b>	<b>£m</b>
<b><u>COUNCIL FUND</u></b>		
<b>Increases</b>		
Education General	1.06	1.010
Children's Services	1.07	0.968
Other Aggregate Increases		0.721
		2.699
<b>Decreases</b>		
Theatr Clwyd	1.08	(15.500)
Other Aggregate Decreases		(0.482)
		(15.982)
<b>Total</b>		<b>(13.283)</b>
<b><u>HRA</u></b>		
<b>Increases</b>		
Major Works	1.09	1.415
Other Aggregate Increases		1.405
		2.820
<b>Decreases</b>		
WHQS Improvements	1.09	(3.287)
		(3.287)
<b>Total</b>		<b>(0.467)</b>
1.06	Introduction of Welsh Government grant funding to support learning environments for those with ALN and increase accessibility to promote inclusive practice, support learning and pupil wellbeing.	
1.07	Introduction of grant in relation to Ty Nyth Assessment Centre and funding to support Childcare and Early Years small grants schemes.	
1.08	Re-profiling of grant funding over financial years following the commencement of works on the Theatr Clwyd redevelopment scheme.	
1.09	Award of Optimised RetroFit grant funding from WG within the WHQS programme and delays to work in Leeswood due to mobilisation issues, has allowed budget to be re-allocated in year to carry out urgent major works.	
1.10	<b>Capital Expenditure compared to Budget</b>  Expenditure as at Month 9, across the whole of the Capital Programme was £35.294m. The breakdown of expenditure is analysed in Table 3, along with the percentage spend against budget.	

This shows that 49.32% of the budget has been spent (CF 42.37%, HRA 60.70%). Corresponding figures for Month 9 2021/22 were 64.80% (CF 64.88%, HRA 64.62%).

1.11 The table also shows a projected underspend (pending carry forward and other adjustments) of £3.060m 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	0.200	0.000	0.00	0.200	0.000
Governance	0.746	0.445	59.65	0.672	(0.074)
Education & Youth	11.665	4.215	36.13	10.743	(0.922)
Social Services	5.436	3.332	61.30	5.436	0.000
Planning, Environment & Economy	3.189	1.224	38.38	2.947	(0.242)
Streetscene & Transportation	15.202	6.861	45.13	14.252	(0.950)
Strategic Programmes	4.788	1.124	23.48	4.223	(0.565)
Housing & Communities	1.847	1.277	69.14	1.697	(0.150)
Capital Programme & Assets	1.356	0.345	25.44	1.199	(0.157)
<b>Council Fund Total</b>	<b>44.429</b>	<b>18.823</b>	<b>42.37</b>	<b>41.369</b>	<b>(3.060)</b>
Buy Backs	0.050	0.000	0.00	0.050	0.000
Disabled Adaptations	1.015	0.651	64.14	1.015	0.000
Energy Schemes	2.967	2.641	89.01	2.967	0.000
Major Works	2.141	0.937	43.76	2.141	0.000
Accelerated Programmes	0.685	0.302	44.09	0.685	0.000
WHQS Improvements	15.625	8.665	55.46	15.625	0.000
SHARP Programme	4.653	3.275	70.38	4.653	0.000
<b>Housing Revenue Account Total</b>	<b>27.136</b>	<b>16.471</b>	<b>60.70</b>	<b>27.136</b>	<b>0.000</b>
<b>Programme Total</b>	<b>71.565</b>	<b>35.294</b>	<b>49.32</b>	<b>68.505</b>	<b>(3.060)</b>

1.12 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 2023/24 has been identified, this is also included in the narrative.

1.13 **Carry Forward into 2023/24**  
 During the quarter, carry forward requirements of £3.060m (all CF) has 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 2023/24.

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

**Table 4**

CARRY FORWARD INTO 2023/24							Total
	Month 4	Month 6	Reversed	WG Grant	Sub Total	Month 9	
	£m	£m	£m	£m	£m	£m	£m
Governance	0.000	0.000	0.000	0.000	0.000	0.074	0.074
Education & Youth	0.461	0.220	0.000	1.767	2.448	0.922	3.370
Social Services	0.189	0.000	0.000	0.000	0.189	0.000	0.189
Planning, Environment & Economy	0.250	0.408	(0.001)	0.000	0.657	0.242	0.899
Streetscene & Transportation	0.046	3.660	0.000	0.000	3.706	0.950	4.656
Strategic Programmes	0.000	0.275	0.000	0.000	0.275	0.565	0.840
Housing & Communities	0.000	0.000	0.000	0.000	0.000	0.150	0.150
Capital Programme & Assets	0.597	0.000	0.000	0.000	0.597	0.157	0.754
<b>Council Fund</b>	<b>1.543</b>	<b>4.563</b>	<b>(0.001)</b>	<b>1.767</b>	<b>7.872</b>	<b>3.060</b>	<b>10.932</b>
<b>TOTAL</b>	<b>1.543</b>	<b>4.563</b>	<b>(0.001)</b>	<b>1.767</b>	<b>7.872</b>	<b>3.060</b>	<b>10.932</b>

1.15 **Additional Allocations**

Additional allocations have been identified in the programme in this quarter as follows:

- Wepre Park Visitor Centre - £0.035m. Funding to support grant received through WG Brilliant Basics Fund to upgrade and improve amenities including provision of accessible toilets.

This can be funded from within the current 'headroom' provision.

- Dock area works- £0.015m. To carry out health and safety improvements to dock areas, assisting in mitigation of claims against the Council.

This can be funded from within the current health and safety provision.

1.16 **Savings**

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



**Table 5**

<b>IDENTIFIED SAVINGS</b>	
	<b>Savings</b>
	<b>£m</b>
Diabled Facilities Grants	0.235
Marleyfield House Residential Care Home	0.082
Levelling Up Fund	0.018
<b>Total</b>	<b>0.335</b>

- Ty Nyth Children’s Assessment Centre - £0.060m. Previously, funding had been allocated from ‘headroom’ provision to complete works, pending the outcome of a bid for additional grant funding. The bid was successful; therefore this has been returned to the ‘headroom’ provision.

**1.17 Funding of 2022/23 Approved Schemes**

The position at Month 9 is summarised in Table 6 below for the three year Capital Programme between 2022/23 – 2024/25:-

**Table 6**

<b>FUNDING OF APPROVED SCHEMES 2022/23 - 2024/25</b>		
	<b>£m</b>	<b>£m</b>
Balance carried forward from 2021/22		(2.149)
<b>Increases</b>		
Shortfall in 2022/23 to 2024/25 Budget	0.867	0.867
<b>Decreases</b>		
Additional GCG - 2022/23 Confirmed	(0.786)	
Savings	(0.585)	
Actual In year receipts	(1.605)	(2.976)
<b>Funding - (Available)/Shortfall</b>		<b>(4.258)</b>

1.18 Capital receipts received in the third quarter of 2022/23, along with savings identified total £0.882m. This gives a revised projected surplus in the Capital Programme at Month 9 of £4.258m (from a Month 6 funding position surplus of £3.376m) for the 2022/23 – 2024/25 Capital Programme, prior to the realisation of additional capital receipts and/or other funding sources.

1.19	<p><b>Investment in County Towns</b></p> <p>At its meeting on 12<sup>th</sup> 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 14<sup>th</sup> June 2018.</p>																																																								
1.20	<p>Table 7 below shows a summary of the 2021/22 actual expenditure, the 2022/23 revised budget and budgets for future years as approved by Council at its meeting of 7<sup>th</sup> December, 2021. Further detail can be found in Appendix C, including details of the 2022/23 spend to Month 9.</p> <p><b>Table 7</b></p> <table border="1" data-bbox="347 613 1358 1317"> <thead> <tr> <th colspan="4" style="text-align: center;"><b>INVESTMENT IN COUNTY TOWNS</b></th> </tr> <tr> <th></th> <th style="text-align: center;"><b>2021/22</b></th> <th style="text-align: center;"><b>2022/23</b></th> <th style="text-align: center;"><b>2023 -</b></th> </tr> <tr> <th></th> <th style="text-align: center;"><b>Actual</b></th> <th style="text-align: center;"><b>Revised</b></th> <th style="text-align: center;"><b>2025</b></th> </tr> <tr> <th></th> <th style="text-align: center;"><b>£m</b></th> <th style="text-align: center;"><b>Budget</b></th> <th style="text-align: center;"><b>Budget</b></th> </tr> <tr> <th></th> <th></th> <th style="text-align: center;"><b>£m</b></th> <th style="text-align: center;"><b>£m</b></th> </tr> </thead> <tbody> <tr> <td>Buckley / Penyffordd</td> <td style="text-align: center;">1.928</td> <td style="text-align: center;">1.450</td> <td style="text-align: center;">13.607</td> </tr> <tr> <td>Connah's Quay / Shotton</td> <td style="text-align: center;">0.842</td> <td style="text-align: center;">2.727</td> <td style="text-align: center;">1.500</td> </tr> <tr> <td>Flint / Bagillt</td> <td style="text-align: center;">0.368</td> <td style="text-align: center;">1.611</td> <td style="text-align: center;">7.939</td> </tr> <tr> <td>Holywell / Caerwys / Mostyn</td> <td style="text-align: center;">4.495</td> <td style="text-align: center;">4.609</td> <td style="text-align: center;">0.000</td> </tr> <tr> <td>Mold / Treuddyn / Cilcain</td> <td style="text-align: center;">6.968</td> <td style="text-align: center;">5.928</td> <td style="text-align: center;">38.290</td> </tr> <tr> <td>Queensferry / Hawarden / Sealand</td> <td style="text-align: center;">8.031</td> <td style="text-align: center;">3.834</td> <td style="text-align: center;">3.000</td> </tr> <tr> <td>Saltney / Broughton / Hope</td> <td style="text-align: center;">4.929</td> <td style="text-align: center;">1.342</td> <td style="text-align: center;">27.430</td> </tr> <tr> <td>Unallocated / To Be Confirmed</td> <td style="text-align: center;">1.540</td> <td style="text-align: center;">3.549</td> <td style="text-align: center;">18.092</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>29.101</b></td> <td style="text-align: center;"><b>25.050</b></td> <td style="text-align: center;"><b>109.858</b></td> </tr> </tbody> </table>	<b>INVESTMENT IN COUNTY TOWNS</b>					<b>2021/22</b>	<b>2022/23</b>	<b>2023 -</b>		<b>Actual</b>	<b>Revised</b>	<b>2025</b>		<b>£m</b>	<b>Budget</b>	<b>Budget</b>			<b>£m</b>	<b>£m</b>	Buckley / Penyffordd	1.928	1.450	13.607	Connah's Quay / Shotton	0.842	2.727	1.500	Flint / Bagillt	0.368	1.611	7.939	Holywell / Caerwys / Mostyn	4.495	4.609	0.000	Mold / Treuddyn / Cilcain	6.968	5.928	38.290	Queensferry / Hawarden / Sealand	8.031	3.834	3.000	Saltney / Broughton / Hope	4.929	1.342	27.430	Unallocated / To Be Confirmed	1.540	3.549	18.092	<b>Total</b>	<b>29.101</b>	<b>25.050</b>	<b>109.858</b>
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1.21	<p>The inclusion of actuals for 2021/22 and approved schemes for future years allows a slightly fuller picture of investment plans. However, expenditure which has occurred in years' prior to 2021/22 has not be included, and the expenditure and budgets reported should be considered in that context.</p>																																																								
1.22	<p>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.</p>																																																								
1.23	<p>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.</p>																																																								
1.24	<p>Information on the split between internal and external funding can be found in Appendix C.</p>																																																								
1.25	<p>In addition to the information contained in Appendix C, there is also considerable capital expenditure on the HRA Welsh Housing Quality</p>																																																								

Standard (WHQS), which was originally outside the scope of this analysis. A summary is provided in Table 8 below, albeit using a slightly different catchment area basis.

**Table 8**

<b>WHQS Programme</b>		
	<b>2021/22 Actual £m</b>	<b>2022/23 Budget £m</b>
Holywell	0.850	4.550
Flint	0.870	1.450
Deeside & Saltney	4.430	1.700
Buckley	4.820	1.250
Mold	5.150	4.262
Connah's Quay & Shotton	0.960	2.350
<b>Total</b>	<b>17.080</b>	<b>15.562</b>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
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.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	<p>The impact of the pandemic will continue to be monitored closely during this financial year. Due to the re-profiling of schemes from the 2021/22 and resources available to manage and deliver schemes, the levels of planned expenditure in 2022/23 may be affected, resulting in a high level of carry forward requests to re-phase budgets into the 2023/24 programme.</p> <p>In addition to the above there are currently indications that material supplies, and demand, are being impacted by overseas supply market disruption leading to potential cost increases, higher tender prices and project delays.</p> <p>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.</p> <p>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</p>

	case. Due to the pandemic, there may be a delay in obtaining capital receipts as the timing of these receipts are also subject to market forces outside of the Council's control. In line with current policy no allowance has been made for these receipts in reporting the Council's capital funding position.
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<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	No consultation is required as a direct result of this report.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A: Capital Programme - Changes during 2022/23
5.02	Appendix B: Variances
5.03	Appendix C: Investment in Towns

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Capital Programme monitoring papers 2022/23.

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<b>Contact Officer:</b> Chris Taylor, Strategic Finance Manager <b>Telephone:</b> 01352 703309 <b>E-mail:</b> <a href="mailto:christopher.taylor@flintshire.gov.uk">christopher.taylor@flintshire.gov.uk</a>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<p><b>Budget Re-profiling:</b> 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><b>Capital Expenditure:</b> Expenditure on the acquisition of <b>non-current assets</b> or expenditure which extends the useful life of an existing asset</p> <p><b>Capital Programme:</b> 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><b>Capital Receipts:</b> Receipts (in excess of £10,000) realised from the disposal of assets.</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.

**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 2022/23

	Original Budget 2022/23	Carry Forward from 2021/22	2022/23 Previously Reported			Savings (Current)	Changes (Current)	Revised Budget 2022/23
			Changes	Carry Forward to 2023/24	Savings			
	£m	£m	£m	£m		£m	£m	£m
<b>Council Fund :</b>								
<b>People &amp; Resources</b>								
'Headroom'	0.350	0.140	(0.060)	0.000	0.000	0.000	(0.245)	0.185
Corporate Finance - H & S	0.000	0.015	0.000	0.000	0.000	0.000	0.000	0.015
	<b>0.350</b>	<b>0.155</b>	<b>(0.060)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.245)</b>	<b>0.200</b>
<b>Governance</b>								
Information Technology	0.363	0.383	0.000	0.000	0.000	0.000	0.000	0.746
	<b>0.363</b>	<b>0.383</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.746</b>
<b>Education &amp; Youth</b>								
Education - General	0.650	4.778	1.849	(1.971)	0.000	0.000	0.611	5.917
Primary Schools	1.257	0.666	0.683	(0.257)	0.000	0.000	0.422	2.771
Schools Modernisation	7.303	0.000	(7.303)	0.000	0.000	0.000	0.308	0.308
Secondary Schools	0.300	0.357	1.253	0.000	0.000	0.000	0.223	2.133
Special Education	0.500	0.256	0.000	(0.220)	0.000	0.000	0.000	0.536
	<b>10.010</b>	<b>6.057</b>	<b>(3.518)</b>	<b>(2.448)</b>	<b>0.000</b>	<b>0.000</b>	<b>1.564</b>	<b>11.665</b>
<b>Social Services</b>								
Services to Older People	0.650	0.156	0.286	(0.189)	0.000	(0.082)	0.000	0.821
Learning Disability	0.270	0.000	0.000	0.000	0.000	0.000	0.000	0.270
Children's Services	0.444	0.882	2.051	0.000	0.000	0.000	0.968	4.345
	<b>1.364</b>	<b>1.038</b>	<b>2.337</b>	<b>(0.189)</b>	<b>0.000</b>	<b>(0.082)</b>	<b>0.968</b>	<b>5.436</b>
<b>Planning, Environment &amp; Economy</b>								
Closed Landfill Sites	0.000	0.250	0.000	(0.250)	0.000	0.000	0.000	0.000
Engineering	0.038	0.349	0.000	(0.222)	0.000	0.000	0.000	0.165
Energy Services	0.000	0.000	0.968	0.000	0.000	0.000	(0.057)	0.911
Ranger Services	0.000	0.000	0.000	0.000	0.000	0.000	0.196	0.196
Town Centre Regeneration	0.050	0.218	1.725	(0.185)	0.000	(0.018)	(0.148)	1.642
Private Sector Renewal/Improv't	0.040	0.000	0.221	0.000	0.000	0.000	0.014	0.275
	<b>0.128</b>	<b>0.817</b>	<b>2.914</b>	<b>(0.657)</b>	<b>0.000</b>	<b>(0.018)</b>	<b>0.005</b>	<b>3.189</b>
<b>Streetscene &amp; Transportation</b>								
Waste Services	1.875	1.930	0.877	(3.405)	0.000	0.000	0.000	1.277
Cemeteries	0.000	0.265	0.000	(0.255)	0.000	0.000	0.000	0.010
Highways	1.644	0.424	2.386	0.000	0.000	0.000	(0.262)	4.192
Local Transport Grant	0.000	0.018	9.665	0.000	0.000	0.000	0.040	9.723
Solar Farms	0.000	0.046	0.000	(0.046)	0.000	0.000	0.000	0.000
	<b>3.519</b>	<b>2.683</b>	<b>12.928</b>	<b>(3.706)</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.222)</b>	<b>15.202</b>

	Original Budget 2022/23	Carry Forward from 2021/22	2022/23 Previously Reported			Savings (Current)	Changes (Current)	Revised Budget 2022/23
			Changes	Carry Forward to 2023/24	Savings			
	£m	£m	£m	£m				£m
<b>Strategic Programmes</b>								
Leisure Centres	0.200	0.286	0.000	0.000	0.000	0.000	(0.015)	0.471
Play Areas	0.200	0.394	0.052	0.000	0.000	0.000	0.147	0.793
Libraries	0.000	0.009	0.000	0.000	0.000	0.000	0.015	0.024
Theatr Clwyd	19.000	0.275	0.000	(0.275)	0.000	0.000	(15.500)	3.500
	<b>19.400</b>	<b>0.964</b>	<b>0.052</b>	<b>(0.275)</b>	<b>0.000</b>	<b>0.000</b>	<b>(15.353)</b>	<b>4.788</b>
<b>Housing &amp; Communities</b>								
Disabled Facilities Grants	1.660	0.386	0.286	0.000	(0.250)	(0.235)	0.000	1.847
	<b>1.660</b>	<b>0.386</b>	<b>0.286</b>	<b>0.000</b>	<b>(0.250)</b>	<b>(0.235)</b>	<b>0.000</b>	<b>1.847</b>
<b>Capital Programme &amp; Assets</b>								
Administrative Buildings	0.675	0.588	0.035	0.000	0.000	0.000	0.000	1.298
Community Asset Transfers	0.000	0.655	0.000	(0.597)	0.000	0.000	0.000	0.058
	<b>0.675</b>	<b>1.243</b>	<b>0.035</b>	<b>(0.597)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.356</b>
<b>Housing Revenue Account :</b>								
Buy Backs	0.000	0.000	0.000	0.000	0.000	0.000	0.050	0.050
Disabled Adaptations	1.114	0.000	(0.099)	0.000	0.000	0.000	0.000	1.015
Energy Schemes	0.510	0.000	1.626	0.000	0.000	0.000	0.831	2.967
Major Works	0.726	0.000	0.000	0.000	0.000	0.000	1.415	2.141
Accelerated Programmes	0.561	0.000	0.000	0.000	0.000	0.000	0.124	0.685
WHQS Improvements	13.355	0.000	5.557	0.000	0.000	0.000	(3.287)	15.625
Modernisation / Improvements	1.000	0.000	(1.000)	0.000	0.000	0.000	0.000	0.000
SHARP Programme	7.808	0.000	(3.555)	0.000	0.000	0.000	0.400	4.653
	<b>25.074</b>	<b>0.000</b>	<b>2.529</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.467)</b>	<b>27.136</b>
<b>Totals :</b>								
<b>Council Fund</b>	37.469	13.726	14.974	(7.872)	(0.250)	(0.335)	(13.283)	44.429
<b>Housing Revenue Account</b>	25.074	0.000	2.529	0.000	0.000	0.000	(0.467)	27.136
<b>Grand Total</b>	<b>62.543</b>	<b>13.726</b>	<b>17.503</b>	<b>(7.872)</b>	<b>(0.250)</b>	<b>(0.335)</b>	<b>(13.750)</b>	<b>71.565</b>



PEOPLE & RESOURCES

Capital Budget Monitoring 2022/23 - 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'	0.185	0.000	0.185	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.
Corporate Finance - Health & Safety	0.015	0.000	0.015	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.
<b>Total</b>	<b>0.200</b>	<b>0.000</b>	<b>0.200</b>	<b>0.000</b>	<b>0</b>	<b>0.000</b>			

GOVERNANCE

Capital Budget Monitoring 2022/23 - 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
Information Technology	0.746	0.445	0.672	(0.074)	-10	0.000	£0.050m - replacement tape technology was due to be replaced this financial year, however another years worth of use can be obtained from the technology in 2022/23.  £0.024 - Laptop Replacement scheme to continue into 2023/24.	<b>Carry Forward</b> - Request approval to move funding of <b>£0.074m</b> to 2023/24.	
<b>Total</b>	<b>0.746</b>	<b>0.445</b>	<b>0.672</b>	<b>(0.074)</b>	<b>-10</b>	<b>0.000</b>			

Variance = Budget v Outturn

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EDUCATION & YOUTH

Capital Budget Monitoring 2022/23 - 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	5.917	1.756	5.521	(0.396)	-7	0.000	Classroom ventilation works to progress into 2023/24, £0.066m. R&M School Capital Maintenance and Health & Safety works to progress into 2023/24, £0.300m.  £0.030m of expenditure will fall into 2023/24 for the Upgrades of kitchen equipment.	<b>Carry Forward</b> - Request approval to move funding of <b>£0.396m</b> to 2023/24.	
Primary Schools	2.771	1.598	2.671	(0.100)	-4	0.000	R&M works St Ethelwolds to continue into 2023/24.	<b>Carry Forward</b> - Request approval to move funding of <b>£0.100m</b> to 2023/24.	
Schools Modernisation	0.308	0.203	0.308	0.000	0	0.000			
Secondary Schools	2.133	0.166	1.707	(0.426)	-20	0.000	Holywell High ATP and survey works to fall into 2023/24, £0.300m. Flint High upgrade of kitchen ventilation system to progress into 2023/24, £0.126m.	<b>Carry Forward</b> - Request approval to move funding of <b>£0.426m</b> to 2023/24.	
Special Education	0.536	0.492	0.536	0.000	0	(0.220)			
<b>Total</b>	<b>11.665</b>	<b>4.215</b>	<b>10.743</b>	<b>(0.922)</b>	<b>-8</b>	<b>(0.220)</b>			

Variance = Budget v Outturn

## SOCIAL SERVICES

## Capital Budget Monitoring 2022/23 - 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	0.821	0.498	0.821	0.000	0	0.000			Awaiting confirmation of WG Grant (approved in principle £0.850m) for Croes Atti Scheme.  <b>£0.082m</b> saving Identified on the Marleyfield House Residential Scheme.
Learning Disability Services	0.270	0.073	0.270	0.000	0	0.000			
Children's Services	4.345	2.761	4.345	0.000	0	0.000			£0.060m 'headroom' allocation returned following additional WG Funding.
<b>Total</b>	<b>5.436</b>	<b>3.332</b>	<b>5.436</b>	<b>0.000</b>	<b>0</b>	<b>0.000</b>			

Variance = Budget v Projected Outturn

## PLANNING, ENVIRONMENT &amp; ECONOMY

## Capital Budget Monitoring 2022/23 - 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		0.000			
Engineering	0.165	0.001	0.033	(0.132)	-80	(0.223)	Works at Greenfield Reservoir to progress into 2023/24.	<b>Carry Forward</b> - Request approval to move funding of <b>£0.132m</b> to 2023/24.	
Energy Services	0.911	0.626	0.911	0.000	0	0.000			
Ranger Services	0.196	0.095	0.196	0.000	0	0.000			
Town Centre Regeneration	1.642	0.335	1.532	(0.110)	-7	(0.185)	31 Chester Road West project is to progress into 2023/24 following delays in the project start date.	<b>Carry Forward</b> - Request approval to move funding of <b>£0.110m</b> to 2023/24.	No further funds to be committed prior to a decision on the award of the Level Up Funding, therefore, a saving of <b>£0.018m</b> identified.
Private Sector Renewal/Improvement	0.275	0.167	0.275	0.000	0	0.000			
<b>Total</b>	<b>3.189</b>	<b>1.224</b>	<b>2.947</b>	<b>(0.242)</b>	<b>-8</b>	<b>(0.408)</b>			

Variance = Budget v Outturn

## STREETSCENE &amp; TRANSPORTATION

## Capital Budget Monitoring 2022/23 - 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	1.277	0.267	1.027	(0.250)	-20	(3.405)	Purchase of Shredder at Greenfield HRC to progress into 2023/24 due to leading times within the supply chain.	<b>Carry Forward</b> - Request approval to move funding of <b>£0.250m</b> to 2023/24.	
Cemeteries	0.010	0.005	0.010	0.000	0	(0.255)			
Highways	4.192	1.594	3.492	(0.700)	-17	0.000	Works relating to decarbonisation of the fleet to progress in 2023/24, £0.500m.  Principle Structure Maintenance works to progress into 2023/24 inline with schedule of works, £0.200m.	<b>Carry Forward</b> - Request approval to move funding of <b>£0.700m</b> to 2023/24.	
Local Transport Grant	9.723	4.995	9.723	0.000	0	0.000			
<b>Total</b>	<b>15.202</b>	<b>6.861</b>	<b>14.252</b>	<b>(0.950)</b>	<b>-6</b>	<b>(3.660)</b>			

Variance = Budget v Outturn

## STRATEGIC PROGRAMMES

## Capital Budget Monitoring 2022/23 - 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
Leisure Centres	0.471	0.005	0.164	(0.307)	-65	0.000	Currently receiving quotes for the Holywell Leisure Centre replacement 3G pitch, £0.050m, with works aimed to be completed in the summer. Deeside Leisure Centre replace waterproof covering over office accommodation (£0.008m) and urgent property work on leisure and libraries to continue into 2023/24, (£0.249m).	<b>Carry Forward</b> - Request approval to move funding of <b>£0.307m</b> into 2023/24.	
Play Areas	0.793	0.417	0.535	(0.258)	-33	0.000	Work to progress into 2023/24.	<b>Carry Forward</b> - Request approval to move funding of <b>£0.258m</b> into 2023/24.	
Libraries	0.024	0.000	0.024	0.000	0	0.000			
Theatr Clwyd	3.500	0.702	3.500	0.000	0	(0.275)			
<b>Total</b>	<b>4.788</b>	<b>1.124</b>	<b>4.223</b>	<b>(0.565)</b>	<b>-12</b>	<b>(0.275)</b>			

Variance = Budget v Outturn

## HOUSING &amp; COMMUNITIES

## Capital Budget Monitoring 2022/23 - 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 Facilities Grants	1.847	1.277	1.697	(0.150)	-8	0.000	Delays in service delivery were experienced as a result of COVID-19 restrictions in conjunction with a service re-design.	Carry Forward - Request approval to move funding of <b>£0.150m</b> to 2023/24.	DFG spend is customer driven and volatile.  Saving of <b>£0.235m</b> identified.
<b>Total</b>	<b>1.847</b>	<b>1.277</b>	<b>1.697</b>	<b>(0.150)</b>	<b>-8</b>	<b>0.000</b>			

Variance = Budget v Outturn

## CAPITAL PROGRAMME &amp; ASSETS

## Capital Budget Monitoring 2022/23 - 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
Administrative Buildings	1.298	0.287	1.141	(0.157)	-12	0.000	Projects to progress in 2023/24.	Carry Forward - Request approval to move funding of <b>£0.157m</b> to 2023/24.	
Community Asset Transfers	0.058	0.058	0.058	0.000	0	0.000			The funding for Capital Asset Transfers is allocated for specific purposes and is drawn down as and when required.
<b>Total</b>	<b>1.356</b>	<b>0.345</b>	<b>1.199</b>	<b>(0.157)</b>	<b>-12</b>	<b>0.000</b>			

Variance = Budget v Outturn

HOUSING REVENUE ACCOUNT

Capital Budget Monitoring 2022/23 - 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			
Buy Backs	0.050	0.000	0.050	0.000	0	(1.000)			
Disabled Adaptations	1.015	0.651	1.015	0.000	0	0.000			Demand lead
Energy Services	2.967	2.641	2.967	0.000	0	0.000	Programme of Energy efficiency in homes. WG ORG grant secured and additional CERA introduced to offset variance to original budget.		
Major Works	2.141	0.937	2.141	0.000	0	0.000			
Accelerated Programmes	0.685	0.302	0.685	0.000	0	0.000			
WHQS Improvements	15.625	8.665	15.625	0.000	0	0.000	Award of Optimised RetroFit grant funding from WG within the WHQS programme and delays to work in Leeswood due to mobilisation issues, has allowed budget to be re-allocated in year to carry out urgent major works.		
SLARP	4.653	3.275	4.653	0.000	0	0.000			
<b>Total</b>	<b>27.136</b>	<b>16.471</b>	<b>27.136</b>	<b>0.000</b>	<b>0</b>	<b>0.000</b>			

Variance = Budget v Outturn

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## SUMMARY

## Capital Budget Monitoring 2022/23 - 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	0.200	0.000	0.200	0.000	0	0.000			
Governance	0.746	0.445	0.672	(0.074)	-10	0.000			
Education & Youth	11.665	4.215	10.743	(0.922)	-8	(0.220)			
Social Services	5.436	3.332	5.436	0.000	0	0.000			
Planning, Environment & Economy	3.189	1.224	2.947	(0.242)	-8	(0.408)			
Streetscene & Transportation	15.202	6.861	14.252	(0.950)	-6	(3.660)			
Strategic Programmes	4.788	1.124	4.223	(0.565)	-12	(0.275)			
Housing & Communities	1.847	1.277	1.697	(0.150)	-8	0.000			
Capital Programme & Assets	1.356	0.345	1.199	(0.157)	-12	0.000			
<b>Sub Total - Council Fund</b>	<b>44.429</b>	<b>18.823</b>	<b>41.369</b>	<b>(3.060)</b>	<b>-7</b>	<b>(4.563)</b>			
Housing Revenue Account	27.136	16.471	27.136	0.000	0	0.000			
<b>Total</b>	<b>71.565</b>	<b>35.294</b>	<b>68.505</b>	<b>(3.060)</b>	<b>-4</b>	<b>(4.563)</b>			

Variance = Budget v Outturn

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INVESTMENT IN COUNTY TOWNS - 2021/22 ACTUAL SPEND

APPENDIX C

TOWN FUNDING	21/22 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	
<b>EXPENDITURE</b>																					
<b>HOUSING - HRA</b>																					
SHARP	2,024					20		1,635	289	5		2					73		1,715	309	2,024
<b>EDUCATION &amp; YOUTH</b>																					
Queensferry Campus	7,651											2,214	5,437						2,214	5,437	7,651
Ysgol Glanrafon	3,157										3,157								0	3,157	3,157
Castell Alun High School	4,216													3,121	1,095				3,121	1,095	4,216
<b>SOCIAL CARE</b>																					
Marleyfield EPH	605	605																	605	0	605
Ty Nyth, Children's Residential Care	462										462								0	462	462
<b>PLANNING, ENVIRONMENT &amp; ECONOMY</b>																					
Solar PV Farms	600				600														600	0	600
<b>STREETSCENE &amp; TRANSPORTION</b>																					
Improvements to Standard Yard Waste Transfer Station	386		386																0	386	386
Improvements to Greenfield Waste Transfer Station	795							27	768										27	768	795
Highways Maintenance	2,506	137	28	35		197		344	421	92	433	242		103	68			1,556	950	2,506	
Transport Grant	4,133		772		207		151		1,011		253		136		542		406	0	0	4,133	4,133
																	1,061				
<b>STRATEGIC PROGRAMMES</b>																					
Theatr Clwyd - Redevelopment	1,984										661	1,323							661	1,323	1,984
<b>HOUSING &amp; ASSETS</b>																					
Affordable Housing	582									582									582	0	582
	29,101	742	1,186	635	207	197	171	2,006	2,489	1,340	5,628	2,458	5,573	3,224	1,705	479	1,061	11,081	18,020	29,101	
<b>AREA TOTAL</b>			1,928	842	368	4,495	6,968	8,031	4,929	1,540											

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INVESTMENT IN COUNTY TOWNS - 2022/23 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	
<b>EXPENDITURE</b>																					
<b>HOUSING - HRA</b>																					
SHARP	4,653	32		401		230		3,947		10		33							4,653	0	4,653
<b>EDUCATION &amp; YOUTH</b>																					
Ysgol Glanrafon	398									302	96								302	96	398
Ysgol Croes Atti, Flint	300					300													300	0	300
Ysgol Croes Atti, Shotton	553				553														0	553	553
<b>SOCIAL CARE</b>																					
Ty Nyth, Children's Residential Care	1,363									863	500								863	500	1,363
Croes Atti Residential Care Home, Flint	811					811													811	0	811
Relocation of Tri-Ffordd Day Service provision	270												270						270	0	270
<b>PLANNING, ENVIRONMENT &amp; ECONOMY</b>																					
Solar PV Farms	418			418															418	0	418
<b>STREETSCENE &amp; TRANSPORTION</b>																					
Improvements to Standard Yard Waste Transfer Station	466		466																0	466	466
Highways Maintenance	2,595	371						268		286		342		60		1,268			2,595	0	2,595
Transport Grant	9,723		581		1,355		270	31	363		371		3,459	70	942		2,281	101	9,622	9,723	
<b>STRATEGIC PROGRAMMES</b>																					
Traffic Clwyd - Redevelopment	3,500										3,500								0	3,500	3,500
	25,050	403	1,047	819	1,908	1,341	270	4,246	363	1,461	4,467	375	3,459	400	942	1,268	2,281	10,313	14,737	25,050	

AREA TOTAL

1,450

2,727

1,611

4,609

5,928

3,834

1,342

3,549

Hidden 228

INVESTMENT IN COUNTY TOWNS - 2022/23- 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	
<b>EXPENDITURE</b>																					
<b>HOUSING - HRA</b>																					
SHARP	3,275	32		401		230		2,569		10		33							3,275	0	3,275
<b>EDUCATION &amp; YOUTH</b>																					
Ysgol Glanrafon	366									270	96								270	96	366
Croes Atti Flint	188					188													188	0	188
<b>SOCIAL CARE</b>																					
Ty Nyth, Children's Residential Care	1,273									773	500								773	500	1,273
Croes Atti Residential Care Home, Flint	498					498													498	0	498
<b>STREETSCENE &amp; TRANSPORTION</b>																					
Improvements to Standard Yard Waste Transfer Station	245		245																0	245	245
Highways Maintenance	1,487	371						268		286		342	60		160			1,487	0	1,487	
Transport Grant	4,995		22	1,260		88	9	216			298	2,496	285		321			9	4,986	4,995	
<b>STRATEGIC PROGRAMMES</b>																					
Theatr Clwyd - Redevelopment	702										702								0	702	702
	13,029	403	267	401	1,260	916	88	2,846	216	1,339	1,596	375	2,496	60	285	160	321	6,500	6,529	13,029	
<b>AREA TOTAL</b>			670		1,661		1,004		3,062		2,935		2,871		345		481				

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INVESTMENT IN COUNTY TOWNS - 2023- 2025 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			
<b>EXPENDITURE</b>																					
<b>EDUCATION &amp; YOUTH</b>																					
Ysgol Croes Atti, Flint	5,150					1,925	3,225												1,925	3,225	5,150
Drury County Primary	3,650	2,372	1,278																2,372	1,278	3,650
Elfed High School	4,488	1,571	2,917																1,571	2,917	4,488
Mynydd Isa Area	1,464	512	952																512	952	1,464
Saltney/Broughton Area	25,000													8,750	16,250				8,750	16,250	25,000
Penyffordd CP	600	600																	600	0	600
Joint Archive Facility, FCC and DCC	3,225									3,225									3,225	0	3,225
<b>SOCIAL CARE</b>																					
Relocation of Tri-Ffordd Day Service provision	2,430													2,430					2,430	0	2,430
Croes Atti Residential Care Home, Flint	189					189													189	0	189
<b>STREETSCENE &amp; TRANSPORTION</b>																					
Highways Asset Management Plan	2,000																2,000		2,000	0	2,000
Improvements to Standard Yard Waste Transfer Station	3,405	3,405																	3,405	0	3,405
<b>STRATEGIC PROGRAMMES</b>																					
Theatr Clwyd - Redevelopment	34,747										7,247	27,500							7,247	27,500	34,747
<b>HOUSING &amp; ASSETS</b>																					
Affordable Housing	23,510			1,500	0	2,600				318		3,000					16,092		23,510	0	23,510
	109,858	8,460	5,147	1,500	0	4,714	3,225	0	0	10,790	27,500	3,000	0	11,180	16,250	18,092	0	57,736	52,122	109,858	

AREA TOTAL

13,607

1,500

7,939

0

38,290

3,000

27,430

18,092

Totalen 230

# Eitem ar gyfer y Rhaglen 10



## CABINET

<b>Date of Meeting</b>	Thursday, 23 <sup>rd</sup> February 2023
<b>Report Subject</b>	Joint Corporate Procurement Unit - Annual Report for 2021/22
<b>Cabinet Member</b>	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
<b>Report Author</b>	Chief Officer (Governance)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The Council continues to operate a joint procurement service with Denbighshire County Council, with Denbighshire acting as the lead authority.

As part of the service level agreement, the joint procurement service produces a joint annual report on its regulated procurement activities.

This report is presented to Cabinet for the purposes of providing an annual update on procurement performance for 2021/22.

This report also provides Cabinet with an update on 'FastTrack', an initiative launched in 2021/22 which gives suppliers the option to be paid as soon as their invoice is authorised and ahead of their payment terms, in exchange for a small, pre-agreed rebate. The rebate is applied as the invoice is paid and is proportionate to how many days the payment is accelerated by. The Free Pay initiative also provides small businesses and suppliers with accelerated payments for free.

### RECOMMENDATIONS

1	Cabinet is asked to consider and endorse the Procurement Annual Report for 2021/22.
2	Cabinet is asked to note progress with the FastTrack and Free Pay initiatives.

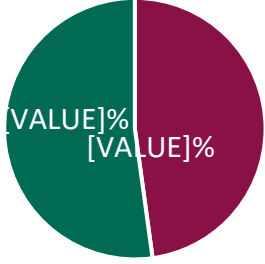
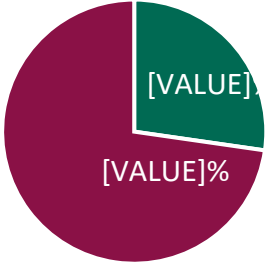
## REPORT DETAILS

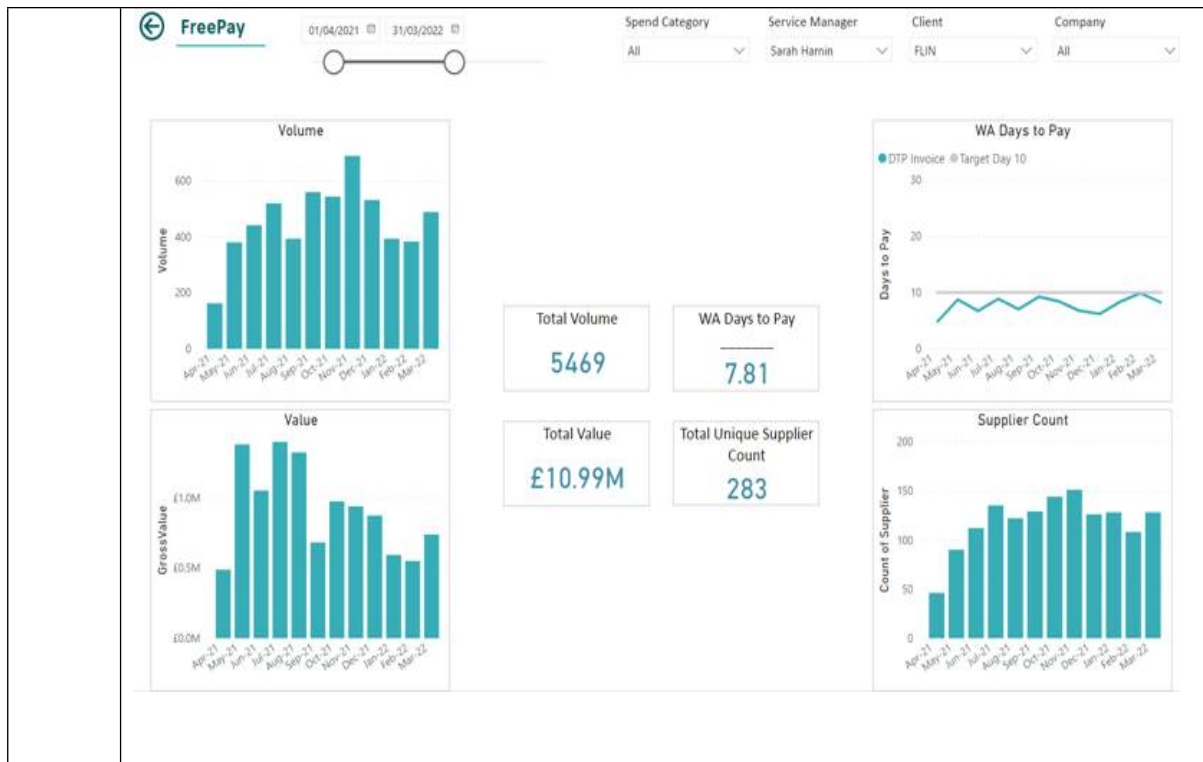
1.00	<b>EXPLAINING THE PROCUREMENT ANNUAL REPORT FOR 2021/22 AND THE DEVELOPMENT OF ‘FAST TRACK’ AND ‘FREE PAY’</b>
1.01	The Council entered a shared service arrangement in 2014 with Denbighshire County Council (“DCC”) for the delivery of procurement advice. DCC continues to be the lead authority and employs the specialist team who deliver the service on behalf of both Councils.
1.02	The shared service agreement also requires the service, led by DCC, to report annually on its performance and the Councils’ achievement of their aims in the Procurement Strategy. The executive report for 2021/22 is set out in Appendix 1 to this report.
1.03	The Joint Procurement service supports all services across both Councils equating to £165m of annual expenditure and primarily supports procurement activities for contracts and purchases of £20k and above, it does not support the low-level purchases below £20k.
1.04	<p>The Joint Procurement Unit continues to co-ordinate and support commissioning and procurement activities across the Council. It has a key role in:</p> <ul style="list-style-type: none"> <li>• Promoting awareness and the need for compliance with legislation and the Council’s own contract procedure rules and financial regulations</li> <li>• Promoting awareness of the need to collaborate on procurement and commissioning across the two Councils</li> <li>• Providing assurance to Elected Members and management that the objectives in the Procurement Strategy are being met</li> <li>• Ensuring that the risks associated with commissioning and procurement activities are being identified and met</li> <li>• Ensuring that opportunities to drive through greater efficiencies and improvements are identified and implemented</li> <li>• To incorporate Social Value within our procurements, including making a positive commitment to addressing climate change and supporting the local economy.</li> </ul>
1.05	<p>Considering the current extraordinary rate of inflation and market conditions Denbighshire &amp; Flintshire Collaborative Procurement Service have recently sought approval, via the appropriate decision-making process, to suspend the current Contract Procedure Rules £10k threshold for one quote and increase this to £20k.</p> <p>The Constitution Committee have now approved this for any Goods, Services or Works up to £20k, and services now only need to seek a minimum of one quote if the purchase is based on price only, and quotes continue to be tracked by using the Quick Quotes functionality within the Proactis e-tendering portal. However, as good practice services are still encouraged to seek more than one quote when possible.</p>



	For any purchases up to £20k where services incorporate a quality assessment within a tender evaluation there is still a need to seek a minimum of four quotes.															
1.06	During 2021/22 the Joint Procurement Service supported service areas to compliantly award 45 FCC Contracts and 82 DCC Contracts, excluding the contracts awarded for school transport, all of which FCC & DCC Transport Department Award themselves following further competition from their Dynamic Purchasing System (DPS), which was established in 2017/18.															
1.07	Over three quarters of Flintshire contracts now include Social Value elements. This is a significant improvement on previous year's outturns of 58.8% for 19/20 and 47.2% for 18/19.															
1.08	The Procurement team continues to work closely with DCC's Community Benefits Hub and FCC's Social Value Development Officer to ensure full consideration is given to Community Benefits/Social Value at point of tender, and that these commitments become contractual requirements that the successful supplier must deliver against.															
1.09	<p>The joint procurement service continues to explore opportunities, wherever possible, to undertake collaborative procurements between DCC &amp; FCC and during 2021-22 there were two collaborative procurements.</p> <p>This remains an area where improvements can be made as it is reported that 95% of the procurements undertaken in 2021/22 did not lend themselves to collaboration and where very specific to either DCC or FCC e.g. maintenance works in specific DCC/FCC schools.</p> <p>Those which did lend themselves to collaboration but did not progress collaboratively were all due to either the requirements of the two LA's not aligning or timing. As of end of March 2021 there were 4 actual collaborative procurements underway and another 12 identified as potential collaborations going into 2022/23.</p> <p>Where contracts could not be let collaboratively due to different expiry dates, procurement officers have asked the commissioning officers to set the length of contract so that it brings the expiry date into alignment with the other council.</p>															
1.10	<p>The SLA also requires the service to report annually on its key performance indicators and the tables below show performance for 2021/22 compared to previous year's performance.</p> <p><b><i>Outcome 1 - the Council achieves value for money from the goods, works and services it procures:</i></b></p> <table border="1"> <thead> <tr> <th>PI No</th> <th>DESCRIPTION</th> <th>18-19</th> <th>19-20</th> <th>21-22</th> </tr> </thead> <tbody> <tr> <td>CPS2</td> <td>Number of Procurement Challenges</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>CPS3</td> <td>% of contracts delivering anticipated savings</td> <td>17/38</td> <td>20/44</td> <td>21/45</td> </tr> </tbody> </table>	PI No	DESCRIPTION	18-19	19-20	21-22	CPS2	Number of Procurement Challenges	0%	0%	0%	CPS3	% of contracts delivering anticipated savings	17/38	20/44	21/45
PI No	DESCRIPTION	18-19	19-20	21-22												
CPS2	Number of Procurement Challenges	0%	0%	0%												
CPS3	% of contracts delivering anticipated savings	17/38	20/44	21/45												

		44.7%	45.4%	46.7%	
	CPS 4 % of Procurements AWARDED collaboratively	6/38 15.8%	3/44 6.8%	2/25 8.0%	
	<b>Outcome 2 - the Council improves the contribution its procurement activity has on the local economy:</b>				
	<b>PI No</b>	<b>DESCRIPTION</b>	<b>18-19</b>	<b>19-20</b>	<b>21-22</b>
	CPS5	% of spend with suppliers based within Mersey Dee Alliance	33.8%	33.3%	31.0%
	CPS6	% of spend with suppliers based within Wales	49.3%	51.0%	53.2%
	CPS9	% of spend with suppliers based within Flintshire	25.7%	25.5%	24.6%
	CPS7b	% of Flintshire contracts between £25,000 and £1,000,000 containing Community Benefits	17/36 47.2%	20/34 58.8%	29/37 78.4%
1.11	<p>During 2021-22, the joint Procurement Team has also worked with colleagues in Flintshire to support and facilitate the ongoing rollout of the Fast Track early payment scheme into the tendering process. In conjunction with our external partners, Oxygen Finance, the Council's FastTrack programme went live for goods and services contracts in April 2021, and construction contracts in August 2021. Implementation provided the opportunity to review and upgrade our payment processes whilst strengthening our relationships with suppliers and providing an opportunity for them to improve cash flow.</p>				
1.12	<p>FastTrack gives suppliers the option to be paid as soon as their invoice is authorised and ahead of their payment terms, in exchange for a small, pre-agreed rebate. The rebate is applied as the invoice is paid and is proportionate to how many days the payment is accelerated by. Payment is targeted at day 10 as standard; the Council's standard payment terms are 30 days from receipt of a valid invoice for goods and services contracts and 28 days from receipt of a valid invoice for construction and works contracts.</p>				
1.13	<p>Not all spend is within the scope of the FastTrack programme and contracts must be assessed for their eligibility. Direct payments, (such as those for foster carers and carers), personal care and some other projects whose payment terms differ from the Council's standard are excluded from the scope of FastTrack.</p>				
1.14	<p>46 contract awards were logged in total during the period of 2021/22. Of these awards, FastTrack was offered to 22 suppliers</p>				

	<p style="text-align: center;"><b>Total Awards 21/22</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: left;"> <ul style="list-style-type: none"> <li>■ FT included</li> <li>■ FT not included</li> </ul> </div>  </div> <p>Of the 22 suppliers who were offered the opportunity to sign up to FastTrack, 6 indicated they wished to participate in the programme. Rebateable spend totalled circa £1.4 million.</p> <div style="text-align: center; margin-top: 20px;"> <p><b>FastTrack Included</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: left;"> <ul style="list-style-type: none"> <li>■ Accepted</li> <li>■ Declined</li> </ul> </div>  </div> </div> <p>Of the £1.4 rebateable spend, the Council has generated a rebate of £14.6k</p>
1.15	<p>To support small, local businesses the Council and Oxygen Finance also operate Free Pay. Businesses which meet the criteria below are automatically enrolled and receive accelerated payments for free (i.e. without paying the rebate). The criteria to qualify are:</p> <ul style="list-style-type: none"> <li>• an annual turnover below £650,000 and</li> <li>• fewer than 20 employees; and</li> <li>• a registered head office within Flintshire</li> </ul>
1.16	<p>Overall during 2021/22 as part of Free Pay the Council paid</p> <ul style="list-style-type: none"> <li>• 5,469 invoices across</li> <li>• 283 individual suppliers</li> <li>• to a total value of £11m</li> <li>• in an average of 7.81 days</li> </ul>



2.00 RESOURCE IMPLICATIONS	
2.01	The service level agreement states that the Council's will split the running costs based on their share of the combined overall spend of both Councils and historically Flintshire has made a 55% contribution towards the overall running costs.
2.02	Spend inevitably varies from year to year but a recent analysis of the past four years of workloads indicates the need to now adopt a different split in favour of Flintshire. From 2023/24, there will be a revised 50:50 split on running costs. In other words, there is a 5% reduction in our funding contribution which will result in an efficiency saving of £9k for our Council.
2.03	The Collaborative Procurement Service is currently made up of: 1.0 full time equivalent Team Leader Post; 4.8 full time equivalent Procurement Business Partners; 1.0 full time equivalent Procurement Officer; 1.0 full time equivalent Systems Officer & Data Analyst.

3.00 IMPACT ASSESSMENT AND RISK MANAGEMENT	
3.01	Effective procurement involves having adequate numbers of appropriately qualified staff and appropriate organisational structures and policies to manage and govern procurement activity.
3.02	The immediate challenge is the practical resourcing of procurement activity in Councils and there is an ongoing issue with a shortage of skilled capacity, particularly at a high level. Recruitment at all levels of Procurement remains a risk for public sector organisations and during 2021/22 the joint Procurement service have experienced a number of

	<p>staffing and recruitment challenges, in particular the in-ability to recruit to the Strategic Procurement Managers post which has been vacant since Q3 in 2020, despite several recruitment campaigns. However, the service has recruited a Team Leader Post and were able to appoint an existing member of the service to this post, as well as recruiting a replacement System's Officer and Data Analyst externally.</p>
3.03	<p>Looking ahead there are significant legislative and procedural changes on the horizon for public sector procurement.</p> <p>The Transforming Public Procurement programme aims to improve the way public procurement is regulated to:</p> <ul style="list-style-type: none"> <li>• Create a simpler and more flexible, commercial system that better meets the UK and Welsh needs while remaining compliant with international obligations.</li> <li>• Open-up public procurement to new entrants such as small businesses and social enterprises so that they can compete for more public contracts</li> </ul> <p>The Procurement Bill, which will reform the existing Procurement Rules has now been introduced in the UK Parliament. The UK Government have indicated that the Procurement Bill is unlikely to be implemented before late 2023 at the very earliest. However, it should be noted that this may be subject to change. Secondary legislation, which includes legislation that is relevant to the proposed transparency regime, is also currently being developed by the Welsh Government. It is the intention of WG to engage with stakeholders on the draft legislation prior to its introduction to the Senedd.</p> <p>Further changes to procurement systems may be required. The Welsh Government will be taking these aspects forward and further detail on required changes to systems will be provided in due course.</p>
3.04	<p>It is envisaged that any additional resource obligations arising from the changes will be largely mitigated by the enhanced automation of procurement systems and platforms. Welsh Government is working to develop its own platforms and is working closely with UKG to ensure that any resource impacts from the Bill are minimised as far as possible.</p>
3.05	<p>Other challenges and priorities ahead include:</p> <ul style="list-style-type: none"> <li>• Decarbonisation through procurement will be a key area of focus for the team, and a carbon reduction post is to be created to help commissioning officers prepare specifications that will reduce carbon.</li> <li>• Launch of a new Procurement Strategy 2023 – 2028 linked to the changes to procurement bill.</li> <li>• The revision of Contract Procedure Rules (CPRs) once the new Procurement Rules have been introduced.</li> </ul>
<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>

4.01	The report for 2021/22 has been considered by the Procurement Joint Management Board which continues to meet on a quarterly basis and receives quarterly data and performance management information.
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<b>5.00</b>	<b>APPENDICES</b>
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5.01	Appendix 1 – Joint Corporate Procurement Unit Annual Report for 2021/22.
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<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
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6.01	None.
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<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
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7.01	<p><b>Contact Officers:</b> David Barnes, Revenues &amp; Procurement Manager Lisa McQuaide, Project Manager</p> <p><b>Telephone:</b> 01352 703652 01352 702357</p> <p><b>E-mail:</b> david.barnes@flintshire.gov.uk lisa.mcquaide@flintshire.gov.uk</p>
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<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
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8.01	<b>Key Performance Indicator</b> - a type of performance measurement used to evaluate the success of an organisation or of a particular activity in which it engages.
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# Collaborative Procurement Service Annual Report 2021/2022

## Staffing

2021/22 saw a number of staffing and recruitment challenges for the Collaborative Procurement Service, with one Procurement Business Partner going on maternity leave in December 2021 and another Procurement Business Partner on long term sick from December 2021 to date.

Unfortunately, during 2021/22 the service was unable to recruit to the Managers post which has been vacant since Oct 2020. However, the service did recruit for a Team Leader Post and were able to appoint an existing member of the service to this post, as well as recruiting a replacement System's Officer and Data Analyst externally.

The Collaborative Procurement Service is currently made up of:

- 1 x FT Team Leader Post
- 4 x FT Procurement Business Partner
- 1 x 0.8 Procurement Business Partner
- 1 x FT Procurement Officer
- 1 x FT Systems Officer & Data Analyst

## Commissioning Forms, Exceptions Report and Contract Variation/Extension Reports

During 2021/22 the CPS received the following number of Commissioning Forms, Exceptions Report and Contract Variation/Extension Reports

	<b>Commissioning Forms</b>	<b>Exceptions Reports</b>	<b>Contract Variation/ Extension Report</b>
<b>DCC</b>	120	43	33
<b>FCC</b>	58	38	27

Following concerns raised by the former CPS Manager with regards to the volume of Exception Reports and Contract Variation/Extension Reports being received, in July 2021 DCC Internal Audit undertook an Audit of Exception Reports and Contract Variation/Extension Reports received by the Collaborative Procurement Service from DCC Service areas. This DCC Internal Audit was given a low assurance and an Action Plan put in place (see attached Audit Report).

Unfortunately, many of the Exceptions and Contract Variations/Extension are due to poor contract management which is devolved to service areas and a DCC Internal Audit Report into Contract Management within DCC also received a low assurance.

A Report was presented to DCC SLT highlighting the weakness identified with contract management and non-compliance with CPRs with a view to DCC SLT reviewing arrangements in their own services.

The CPS are fully committed to working with service areas to address the actions allocated to them within the DCC Exceptions and Contract Variations/Extension Action Plan as well as the DCC Contract Management Action Plan.

Procurement Business Partners regularly attend DMT's with Procurement Progress reports, including a list of those contracts which we currently have a record of on Proactis Contract Management, and the BP's are actively encouraging service areas to work with them to ensure timely planning of procurements and raising awareness of the CPR's.

The CPS is also actively working with the Business Support Team in BIM in respect of Contract Management to address actions within the Internal Audit Report.

### **Awarded Contracts**

During 2021/22 the CPS supported service areas to compliantly award 82 DCC Contracts and 45 FCC Contracts. This does not include the contracts awarded for school transport, all of which FCC & DCC Transport Department Award themselves following further competition from their Dynamic Purchasing System (DPS), which the CPS helped both Transport departments establish in 2017/18.

The total value of the DCC contracts awarded during 21/22 was £22,670,609 and total value of the FCC Contracts awarded was £10,476,189.

Potential savings at contract award (difference between the initial estimated contract value and the final award) was £1,294,947 for DCC and £520,835 for FCC.

Of the 82 DCC Contracts awarded 57% (47 Contracts) included Community Benefits and of the 45 FCC Contracts 73% (33 Contracts) included Social Value. This is a great improvement on 20/21 when only 12% of DCC contracts awarded included Community Benefits and only 25% of FCC Contracts awarded included Community Benefits.

### **Community Benefits & Social Value**

The CPS continue to work closely with DCC's Community Benefits Hub and FCC's Social Value Development Officer to ensure full consideration is given to Community Benefits/Social Value at point of tender, and that these commitments become contractual requirements that the successful supplier must deliver against.

The impact of DCC having a Community Benefits Policy and Community Benefits Hub, and FCC having a Social Value Policy and Social Value Development Officer is that DCC has seen a 45% increase from 20/21 to 21/22 in the number of contracts including Community Benefits, and FCC has seen a 48% increase from 20/21 to 21/22 in the number of contracts including Social Value.

The Community Benefits/Social Value Commitments included in contracts are recorded and monitored by the Community Benefits Hub and the Social Value Development Officer.



## **Local Spend**

During 2021/22, 36% of DCC spend was with suppliers with an invoice address within Denbighshire, within Flintshire it was 25%. This does not include spend which may have been with a supplier with an invoice address outside of Denbighshire/Flintshire but whom have a local outlet's that we use i.e. Jewson's and Travis Perkins.

As per Contract Procedure Rules all tender for Goods & Services above £25k and all those for works above £250k must be openly advertised on Sell2Wales and be available for all suppliers to bid and those above the OJEU Threshold must be openly advertised throughout the UK.

We are not able to ring fence contacts for local suppliers but we always aim to make the process as uncomplicated as we possibly can within the rules set out in DCC/FCC CPR's and Public Contract Regulations 2015, so as to ensure we do not disadvantage our local SME's. We also sign post local SME's to organisations such as Business Wales who offer training and support to businesses in respect of bid writing.

## **Collaboration**

During 21/22 there were only 2 collaborative procurements between DCC & FCC undertaken.

95% of the procurements undertaken in 2021/22 did not lend themselves to collaboration and where very specific to either DCC or FCC e.g. maintenance works in specific DCC/FCC schools.

Those which did lend themselves to collaboration but did not progress collaboratively where all due to either the requirements of the two LA's not aligning or timing and the alignment of existing contracts.

The CPS continue to work tirelessly to promote, encourage and facilitate collaboration and as of end of March 2021 there were 4 actual collaborative procurements underway and another 12 identified as potential collaborations going into 2022/23.

During 2021/22 the CPS has worked collaboratively with colleagues in Flintshire to support and facilitate the introduction of their FastTrack early payment scheme into the tendering process.

The CPS has also worked collaboratively with the Climate Change Team in both DCC and FCC in respect of Carbon Reduction within the supply chain and to support both LA's to achieve their ambitious NetZero target by 2030. This will continue to be a strong focus for the CPS going forward into 2022/23 and beyond.

## Future Challenges and Opportunities

- New Contract Procedure Rules and Social Partnership Bill
  - Timescales for the introduction of the new PCR's is beginning of 2024 and SP Bill will align. WG are as off Oct 2022 starting to run workshops and events for procurement professionals on the new PCR's & SP Bill.
  - In turn the Collaborative Procurement Service will also need to present workshops to service area's throughout both DCC & FCC to make them aware of changes to PCR's and the SP Bill and how this impacts on them directly.
  - It will be a huge challenge for the Collaborative Procurement Team to be able to manage all these changes, roll them out across and service areas whilst also still familiarising ourselves with the changes, particularly with no strategic lead within the service at present and being stretched to capacity operationally.
  - The new PCR's bring a host of new Transparency rules and as a service we will be required to publish 100's more procurement notices each year than we currently publish and will also have to publish a procurement pipeline and a contract register, this will be a huge administrative burden on the Collaborative procurement service.
  - The new PCR's together with the SP Bill will hopefully allow more freedom to tailor procurement requirements to meet the specific needs of each LA in terms of meeting corporate plans/objectives.
- Decarbonisation through procurement
  - A key area of focus for procurement but little resource within the current team to be able to focus on it and therefore seeking to recruit and appoint a Procurement BP to focus specifically on this area.
  - Now mandatory for all procurements of £5M to request suppliers to submit a carbon reduction plan but there is much work to be done in terms of tailored quality questions for tenders regarding carbon reduction and also engaging with suppliers to ensure they are able to meet our requirements in terms of Carbon Reductions. WLGA and WG currently looking at Procurement toolkits and training for procurement professionals to support with this area. FCC have a working group focused on procurement and decarbonisation, which is one of many working groups focusing on the various areas of the FCC Carbon Reduction Strategy. Procurement and DCC Climate Change Team are in regular contact and have a set of actions to work towards – however once again capacity within the team is currently preventing the required action being progressed.
- Launch of new Procurement Strategy
- Revision of Contract Procedure Rules – LISA
- Potential restructure of CPS to align with NW Construction Framework and Community Benefits Hub, reinforcing the existing links between these teams and strengthening resource capacity.

# Eitem ar gyfer y Rhaglen 11



## CABINET

<b>Date of Meeting</b>	Thursday 23 <sup>rd</sup> February 2023
<b>Report Subject</b>	Wepre Park Management Plan
<b>Cabinet Member</b>	Cabinet Member for Climate Change and Economy
<b>Report Author</b>	Chief Officer (Planning, Environment and Economy)
<b>Type of Report</b>	Operational

## EXECUTIVE SUMMARY

Wepre Park is one of Flintshire's finest parks and contains some of the most beautiful, culturally rich parkland in the region, important to thousands of visitors each year. This Management Plan sets the strategic direction and associated action plan for the next five years.

## RECOMMENDATIONS

1	Cabinet endorse the new five year management plan for Wepre Park.
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## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE WEPRE PARK MANAGEMENT PLAN</b>
1.01	The purpose of this Management Plan is to present a management framework and associated actions for the successful collaborative management and development of Wepre Park.
1.02	This revised Management Plan for Wepre Park supersedes the 2016-21 plan and sets the strategic direction for the park in line with current policy and legislation. The new format places the site information and annual maintenance work programmes into appendices.
1.02	The work at Wepre Park is supported by and contributes to a number of National and local plans, policies and strategies which highlight the importance of green space, green infrastructure and recreational areas and seek to both protect and enhance them.
1.03	<p><b>Community Involvement</b></p> <p>The Friends of Wepre Park are an active community group who have been in existence for approx. 10 years. The group are keen to take an active interest in many aspects of the parks management and development. From practical tasks around the park to fundraising the group are a valuable resource</p>
1.04	The site currently provides community groups and individuals an opportunity for volunteering. This is an invaluable resource and has a significant contribution to the sites management and maintenance. Currently contributing to an additional c.240 days per year, equating to £12,000 of benefit
1.05	<p><b>Consultation</b></p> <p>Over the summer of 2021 a public consultation was undertaken to inform the development of the Wepre Park management plan. It showed the importance of the park to local people with over 85% of those responding living within a 5 mile radius. It also clearly demonstrated the contribution the park makes to the health and well-being of the local community through regular outdoor activity with over 50% of people using the park at least once a week.</p> <p>The survey found that a high proportion of people ranked the current management of the Park as a multifunctional facility which is safe, clean and able to be enjoyed by everyone, with the special wildlife qualities protected, enhanced and maintained and its heritage is protected, conserved and celebrated as excellent or good.</p>
1.06	<p><b>Vision for the management plan</b></p> <p>The Wepre Park management plan will present a park that is welcoming, valued and enjoyed whilst protecting its heritage and allowing the wildlife of</p>

	<p>the site to flourish, whilst contributing towards the county's climate change strategy.</p> <p>The plan will promote activity which enhances peoples understanding of Wepre Park and create a resource which is valued by the local community and attracts people from the communities living and working around the park making a positive contribution to their physical and mental health and wellbeing as well as attracting visitors from across the region.</p>			
1.07	<p><b>Strategic Aims and Objectives</b></p> <p><b>Protect our natural environment</b></p> <p>We aim to ensure the special wildlife qualities are protected, enhanced and maintained and that we balance the needs of the environment with that of the public</p> <ul style="list-style-type: none"> <li>• Work towards SAC/SSSI favourable status through the Sect.16 Management agreement and deliver woodland management plan in partnership with Natural Resources Wales.</li> <li>• Support Flintshire's Climate change and carbon reduction strategy by becoming net carbon zero by 2030</li> <li>• Contribute to Flintshire's target to achieve biodiversity net gain.</li> </ul>			
1.08	<b>Aim</b>	<b>Action</b>	<b>Lead</b>	<b>Target completion</b>
	<b>Protect our Natural Environment</b>	<b>Phase 2 extension tree planting</b>	<b>TL</b>	<b>Mar 2024</b>
		<b>Renew the Management Agreement with Natural Resources Wales (NRW) to deliver positive improvements to the Special Site of Scientific Interest.</b>	<b>ANEM</b>	<b>April 2023</b>
		<b>Develop and agree new woodland plan with NRW whilst tackling ash dieback</b>	<b>WO</b>	<b>June 2023</b>
		<b>Complete pilot Hydro-Electric project at the dam, test and evaluate</b>	<b>Energy Team</b>	<b>Feb 2023</b>
		<b>Establish maintenance regime for phase 1 extension area and old golf course</b>	<b>CR</b>	<b>June 2023</b>
		<b>Wepre Brook bank stabilisation</b>	<b>CR</b>	<b>Sept 2023</b>
1.09	<p><b>Value our heritage</b></p> <p>We aim to protect, conserve and celebrate the rich heritage of Wepre Park</p>			

	<ul style="list-style-type: none"> <li>• Work in partnership with Cadw to safeguard Ewloe Castle</li> <li>• Maintain Old Hall Garden improvements</li> <li>• Raise awareness of the unique historic features of the site</li> </ul>			
1.10	<b>Aim</b>	<b>Action</b>	<b>Lead</b>	<b>Target completion</b>
	<b>Value our heritage</b>	<b>Work in partnership with Cadw to maintain and protect Ewloe Castle</b>	<b>TL</b>	<b>Ongoing</b>
		<b>Repair Old Hall Garden wall and path repairs</b>	<b>CR</b>	<b>June 2025</b>
		<b>Re-instate the grills for the arches</b>	<b>CR</b>	<b>July 2023</b>
		<b>Establish a working fountain.</b>	<b>CR</b>	<b>2023</b>
		<b>Work with the Friends of Wepre Park to establish a Garden Maintenance Fund.</b>	<b>TL/CR</b>	<b>2024</b>
1.11	<p><b>Supporting recreation and access</b></p> <p>We aim to be a multifunctional facility which is safe, clean and able to be enjoyed by everyone</p> <ul style="list-style-type: none"> <li>• Maintain Green Flag status</li> <li>• Ensure access is free from obstructions and work towards improving standards across the site</li> <li>• Supporting access for all</li> </ul>			
1.12	<b>Aim</b>	<b>Action</b>	<b>Lead</b>	<b>Target completion</b>
	<b>Supporting recreation and access</b>	<b>Secure Greenflag award</b>	<b>CR</b>	<b>Annual</b>
		<b>Path improvement project/main trail and new golf course path</b>	<b>CR</b>	<b>2026</b>
		<b>Step replacement project – waterfall and castle steps</b>	<b>CR</b>	<b>2024</b>
		<b>parkrun waymarking</b>	<b>SL</b>	<b>2023</b>
		<b>Modernise the orienteering course and maps</b>	<b>CR</b>	<b>2024</b>

		<b>Review the provision of benches in the park to identify gaps.</b>	<b>CR</b>	<b>2025</b>
1.13	<p><b>Benefit for people</b></p> <p>Using Wepre Park's natural assets we aim to provide quality leisure, health and well-being and educational experiences for all</p> <ul style="list-style-type: none"> <li>• Raise public awareness of the important natural and cultural heritage of the site through a rich variety of events, education, and interpretation</li> <li>• Maximise community involvement through working with the Friends and other volunteers and community groups</li> </ul> <p>Contribute to the green health initiative by providing a facility of choice for people to use to improve their mental and physical health and wellbeing</p>			
1.14	<b>Aim</b>	<b>Action</b>	<b>Lead</b>	<b>Target completion</b>
	<b>Benefit for people</b>	<b>Agree fishing lease</b>	<b>V&amp;E/CQ Anglers</b>	<b>Mar 2023</b>
		<b>Volunteer development project</b>	<b>TL</b>	<b>Sept 2023</b>
		<b>Develop a programme of large events through external providers</b>	<b>CAO</b>	<b>Jul 2023</b>
		<b>Changing Places toilet facilities</b>	<b>TL</b>	<b>Mar 2023</b>
		<b>Signage review and consolidation</b>	<b>CAO</b>	<b>Apr 2023</b>
		<b>Establish a formal waymarked trail network and tree booklet</b>	<b>CR/Tree Team</b>	<b>Mar 2023</b>
		<b>Investigate resources for park app development, to incorporate route maps of varying difficulties.</b>	<b>CAO</b>	<b>2023</b>
		<b>Install visitor counter across the park</b>	<b>TL</b>	<b>Apr 2024</b>
		<b>Review education provision in light of the new curriculum</b>	<b>CAO</b>	<b>Sept 2023</b>
		<b>Explore a programme of Nordic walking with Aura</b>	<b>TL</b>	<b>2025</b>

		<b>Stakeholder terms of reference</b>	<b>TL</b>	<b>Apr 2023</b>
		<b>Liaise with the Police, CCTV and other partners to manage anti-social behaviour in the Park</b>	<b>CR</b>	<b>Dec 2023</b>
1.15	<b>Resource confidence</b>			
	We aim to provide a stable financial footing to achieve the vision			
	<ul style="list-style-type: none"> <li>• Raise income over and above Flintshire core budget</li> <li>• Maintain appropriate staffing level to deliver the plan</li> </ul>			
1.16	<b>Aim</b>	<b>Action</b>	<b>Lead</b>	<b>Target completion</b>
	<b>Resource confidence</b>	<b>Explore street food vendors</b>	<b>CAO</b>	<b>Mar 2023</b>
		<b>Pilot motorhomes overnight</b>	<b>TL</b>	<b>Mar 2023</b>
		<b>Explore the potential for the introduction of car parking charges</b>	<b>ANEM/SS&amp;T</b>	<b>June 2023</b>
		<b>Finalise Café lease</b>	<b>CAO</b>	<b>Dec 2022</b>
		<b>Define additional hire and fee opportunities eg education area and firewood</b>	<b>CAO</b>	<b>Sept 2023</b>
		<b>Explore and implement QR code donation opportunities throughout the park</b>	<b>TL</b>	<b>June 2023</b>
		<b>Run a charitable fun run to support the plan actions</b>	<b>CR</b>	<b>2024</b>
		<b>Investigate the potential of memorial donations to fund park infrastructure / management</b>	<b>ANEM</b>	<b>2024</b>
<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>			
2.01	The ongoing core funded FCC staff and revenue resource to deliver the plan is detailed in Appendix 2, and is expected to remain constant over the term of the plan.			



	Additional funding to progress development projects will be sourced externally.
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<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Over the summer of 2021 a public consultation was undertaken to inform the development of the Wepre Park management plan. The full responses are detailed in Appendix 3
3.02	A number of workshop style sessions have been held with Local Members, The Friends of Wepre Park and other park stakeholders to inform and shape the plan.
3.03	Environment Overview & Scrutiny Committee endorsed the plan 7 <sup>th</sup> February 2023.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	There is a low risk that the usage of the park increases to such a degree that the current resource levels are inadequate to deliver the vision. The Access & Natural Environment Service does monitor visitor impact on the site and can respond accordingly around re-prioritisation of wider Service actions.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 - Wepre Park Management Plan Appendix 2 – Wepre Park Site Information Appendix 3 – Wepre Park Maintenance programme and resources Appendix 4 – Wepre Park Public consultation survey response.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<b>Contact Officer: Tom Woodall, Access &amp; Natural Environment Manager</b> <b>Telephone: 01352 703902</b> <b>E-mail: <a href="mailto:tom.woodall@flintshire.gov.uk">tom.woodall@flintshire.gov.uk</a></b>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	None.

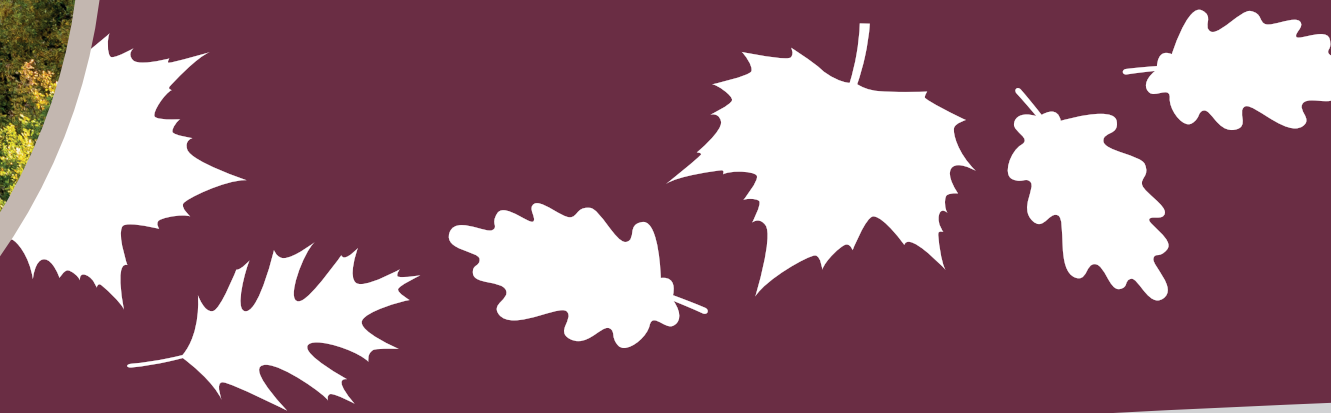
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Tudalen 2014

# Wepre Park Management Plan

2022 - 2027



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- 2.2 Strategic Aims and Objectives
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*Green and wild spaces give people respite and opportunities to breathe freely*

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# Part One

## 1.1 Introduction

Wepre Park is one of Flintshire's finest parks and contains some of the most beautiful, culturally rich park land in the region, important to thousands of visitors each year. Greenspaces have seldom been higher in the public and political consciousness. Green and wild spaces give people respite and opportunities to breathe freely. However they have also been placed under great pressure, and sadly abused by some. We must - through Management Plans and the actions that flow from them

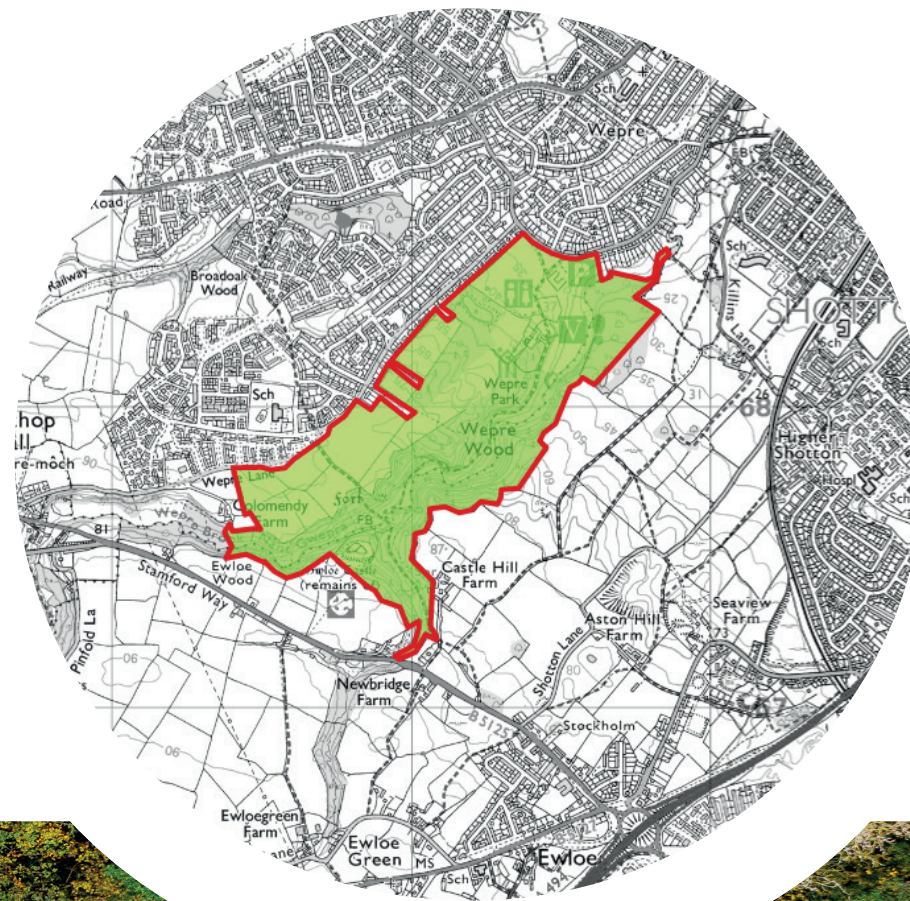
- enable visitors to have world-class experiences while ensuring the special qualities we seek to protect are not damaged. The interests of local communities, businesses and land managers must also be at the forefront of our minds. Balancing these interests and priorities requires genuinely collaborative approaches, and this plan has been developed with key stakeholders and the Friends of Wepre Park and staff from Flintshire County Council's Access & Natural Environment Service.



# 1.2 Context of the Plan

The purpose of this Management Plan is to present a management framework and associated actions for the successful collaborative management and development of Wepre Park.

This revised Management Plan for Wepre Park supersedes the 2016-21 plan and sets the strategic direction for the park in line with current policy and legislation



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# 1.3 Policy Setting

There are a number of National and local plans, policies and strategies which highlight the importance of green space, green infrastructure and recreational areas and seek to both protect and enhance them. The work at Wepre Park is supported by the following;

## National;

**The Environment (Wales) Act (2016)** - Improves and protects the environment in Wales including a duty on Local Authorities to ensure the maintenance and enhancement of biodiversity and to promote the resilience of ecosystems in terms of their diversity, condition and connectivity.

**The Well-being of Future Generations Act (2015)** places a duty on public bodies to ensure sustainable development and sets out seven well-being goals which Local Authorities must achieve. Protecting and enhancing Flintshire's Green spaces and infrastructure, including Wepre Park makes a significant contribution towards achieving these goals.

**Future Wales -- The National Plan (2040)** - The protection and enhancement of green spaces is a fundamental principle of strategic place making which is reflected in the requirement in Future Wales.

**Planning Policy Wales (PPW11)** sets out the land use planning policies and includes a range of policies to maintain and enhance biodiversity, promote the resilience of ecosystems and to maximise the provision of green infrastructure. PPW11 states that recreational spaces are vital for our health, well-being and contribute to our quality of life.

## Local;

**Flintshire Local Development Plan 2015 - 2030 (LDP)** is the planning framework for the County, it sets the direction for new development and safeguards green infrastructure and recreational spaces such as Wepre Park. Strategic Policy STR13 Natural and Built Environment, Green Networks and infrastructure from the LDP seeks to;

- Promote opportunities to enhance biodiversity and ensure resilience;
- Maintain, enhance, and contribute to green infrastructure;
- Create and protect green spaces and open space / play environments that encourage and support good health, well-being, and equality
- Protect playing fields and open space from development



## 1.3 Policy Setting *(continued...)*

The **Council Plan 2023-2028** sets out the priorities for Flintshire. The Green Society and Environment theme seeks to;

- Enhance and increase biodiversity and trees to deliver multiple benefits for people, wildlife and the environment.
- The promotion, good management and protection of our green spaces to deliver multiple benefits to the environment and our residents and visitors.

The Wepre Management plan will play a significant role in achieving these Council priorities.

A **Green space Framework Strategy for Flintshire (2013)** has been developed to maintain, promote and enhance publicly accessible green spaces in Flintshire such as Wepre Park.

**Urban Tree & Woodland Plan (2018-2033)** Flintshire Council have developed a fifteen year plan to increase urban canopy cover from 14.5% to 18% or more by 2033. Woodland at Wepre Park is designated as a Site of Special Scientific Interest (SSSI) for its sessile oak woodland.

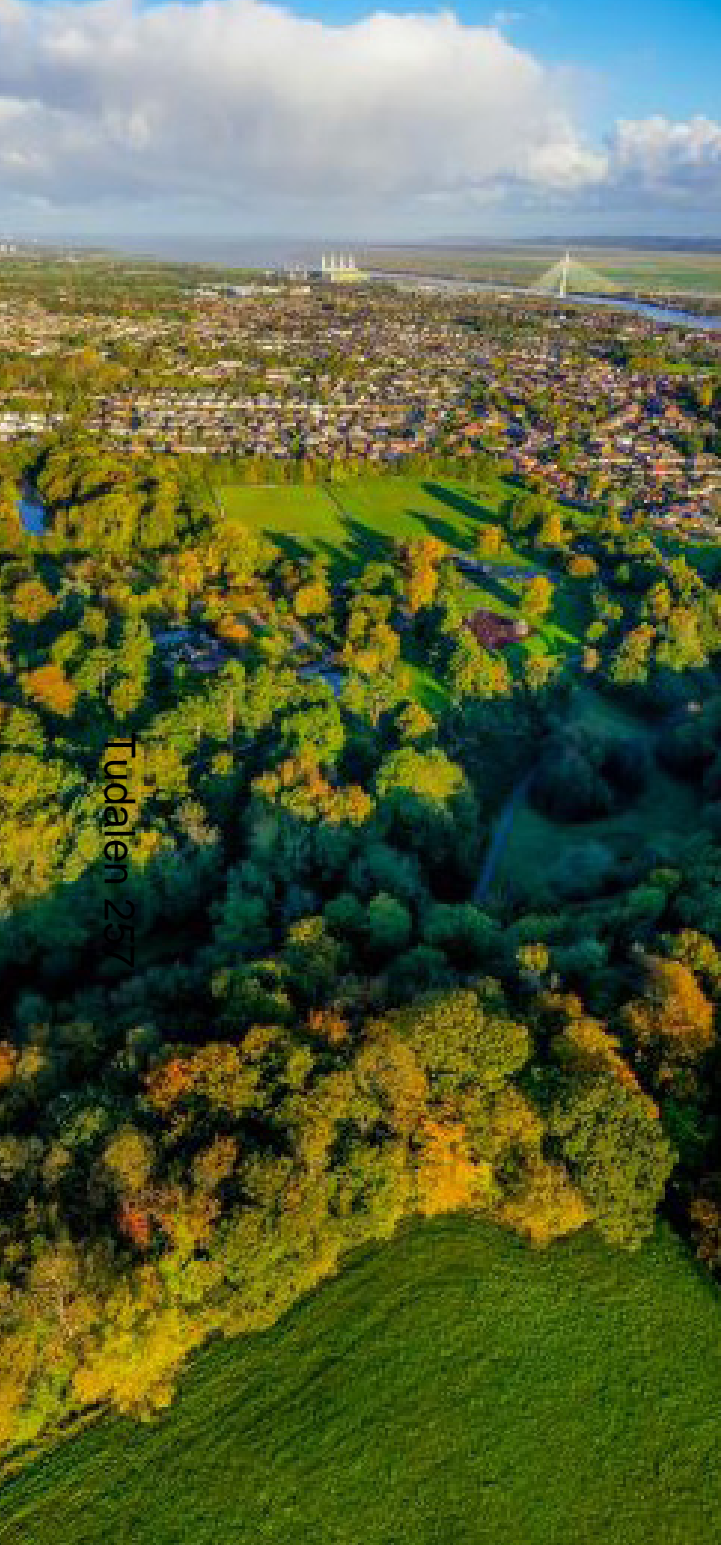
**Flintshire Play Sufficiency Assessment (2022)** The aim of this study is to identify barriers that prevent children from accessing their right to play.

*Wepre Park is one of Flintshire's finest parks and contains some of the most beautiful, culturally rich park land in the region*

*Woodland at Wepre Park is designated as a Site of Special Scientific Interest*







## 1.4 Community Involvement

### The Friends of Wepre Park

The Friends of Wepre Park are an active community group who have been in existence for approx. 10 years. The group are keen to take an active interest in many aspects of the parks management and development. From practical tasks around the park to fundraising the group are a valuable resource.

Aims and objectives of the Friends:

- To encourage local people and users of Wepre Park to become Friends.
- To work in partnership with Countryside Team and the Local Authority, and any of their representatives, towards securing funding for the Park.
- To provide a forum for consultation and discussion between the park management, and residents and park users.
- To develop the Friends further to improve funding and increase / improve facilities in the park, working in cooperation with the park management.

The Friends also have an important role in the reviewing, monitoring and updating of the management and maintenance plan. As part of our stakeholder group, they will be involved in reviewing and shaping the plan to ensure it meets the community's needs.

*This is an invaluable resource and has a significant contribution to the sites management and maintenance*

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## 1.4 Community Involvement

*(continued...)*

### **The Wepre Park Stakeholder Group**

The Wepre Park Stakeholder Group brings together key organisations and businesses that are involved in arranging events and activities at Wepre Park at bimonthly meetings. The group plays an important role in sharing information, discussing and resolving issues / potential conflicts and joint working. The group membership includes representatives from Flintshire County Council, Flintshire Councillors, FC Nomads Football Club, Connah's Quay Angling Club, Friends of Wepre Park, Old Hall Café and Wepre Parkrun.

### **Volunteering**

The site currently provides community groups and individuals an opportunity for volunteering. This is an invaluable resource and has a significant contribution to the sites management and maintenance. Currently contributing to an additional c.240 days per year, equating to £12,000 of benefit.



# 1.5 Consultation Summary

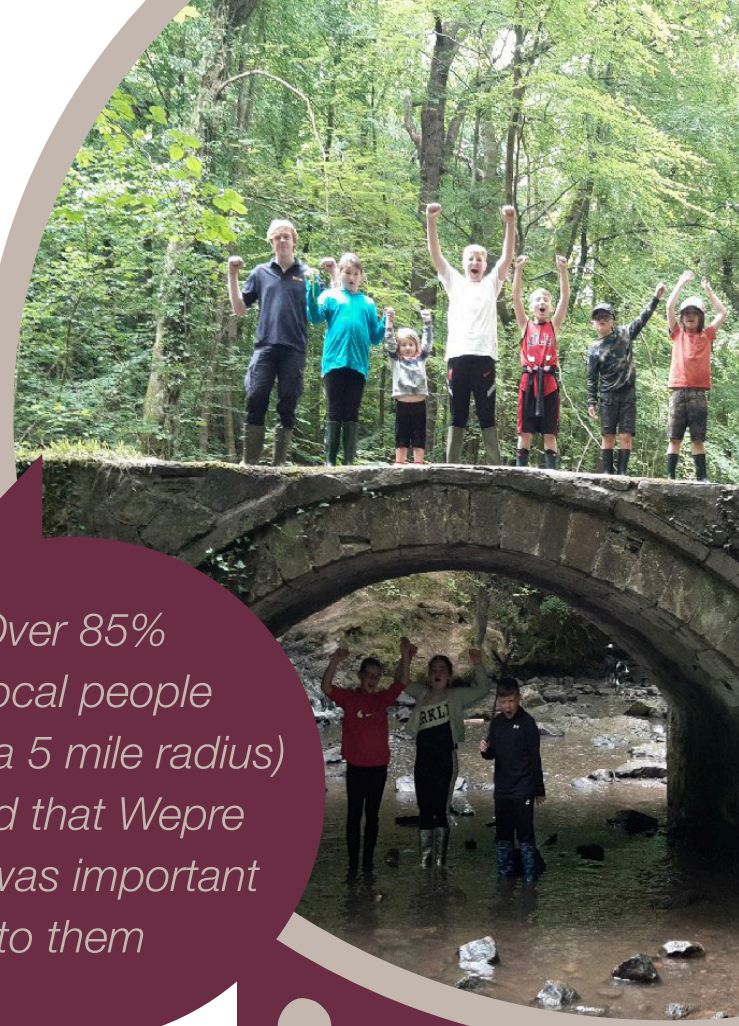
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Over the summer of 2021 a public consultation was undertaken to inform the development of the Wepre Park management plan. It showed the importance of the park to local people with over 85% of those responding living within a 5 mile radius. It also clearly demonstrated the contribution the park makes to the health and well-being of the local community through regular outdoor activity with over 50% of people using the park at least once a week. Unsurprisingly walking was the most popular activity undertaken at the park.

The survey found that a high proportion of people ranked the current management of the Park as a multifunctional facility which is safe, clean and able to be enjoyed by everyone, with the special wildlife qualities protected, enhanced and maintained and its heritage is protected, conserved and celebrated as excellent or good. Less than half of respondents felt that the Park performed excellent / good in raising public awareness about the special features of the site, enriched through events, education and interpretation, which is perhaps an area that could be improved in the future.

When asked about people's vision of what they would like to see in ten years' time many noted that they liked the Park as it is and would not like to see any significant changes. Amongst the possible improvements suggested were improving access for disabled users, particularly to Ewloe castle and improvements to disabled car parking. The need for more bins were highlighted and a dog poo bin in the castle area. Tackling anti-social behaviour, together with an increased staff presence and police patrols and improved security were raised. Concerns were noted about increased visitor pressure and path erosion. Improvements for wildlife were suggested, as was improved paths for walks on the further side of the river, a bike pump track, development of the play area, an outdoor splash zone / pool and keeping public access to the Rosie.

*Over 85% of local people (within a 5 mile radius) stated that Wepre Park was important to them*



## 1.5 Consultation Summary *(continued...)*

In terms of shorter term improvements seats, better toilets, bins, zip wire/ go ape and CCTV were noted. Other comments received included outdoor cinema, forest school activities for schools, more parking, high ropes, petting zoo, camping at specific times, a seasonal market, path on the further side of the river, better play area, secure area for dog exercise, summer pool, bike trail, running track around the football pitches and a sculpture trail.

The consultation asked for people's views on how the park could secure resources towards its management. The most frequent response was to introduce car parking charges. Other suggestions made were a donation scheme, events including dog walks, runs, treasure hunts, santa walks, car boot sales, cyclo cross, farmers market, business sponsorship, crowd funding to buy land, sponsor a tree/bench, selling wood, gift shop, café improvements, raffle, hiring the fields for events, chargeable education events, celebrity ambassadors, festivals and children's parties. Comments were received that the park should be sufficiently resourced publically and that charges should not be introduced. Others

noted that if car parking charges were imposed a local permit should be introduced.

Climate change is a global challenge which requires local action. People felt that the park could make a positive contribution towards the issue through the planting of trees, a refill water bottle station at the visitor centre, electric car charging points, getting rid of parking, introducing car parking charges, using electric vehicles, stopping the use of plastic, increasing recycling facilities, expanding the park through land purchase, increasing people's awareness, renewable energy generation through solar panels and hydroelectric, increasing the frequency of public transport and cycle links, composting toilet and aim to be carbon neutral.

When asked to rank potential future work areas in terms of their priority people ranked wildlife protection as being the most important followed by path maintenance and community involvement / education. Events and formal sports ranked the lowest.





*Wepre Park management plan will present a park that is welcoming, valued and enjoyed whilst protecting its heritage and allowing the wildlife of the site to flourish*

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*We aim to ensure the special wildlife qualities are protected, enhanced and maintained*

## Part Two

### 2.1 Vision for the Management Plan

The Wepre Park management plan will present a park that is welcoming, valued and enjoyed whilst protecting its heritage and allowing the wildlife of the site to flourish, whilst contributing towards the county's climate change strategy.

The plan will promote activity which enhances peoples understanding of Wepre Park and create a resource which is valued by the local community and attracts people from the communities living and working around the park making a positive contribution to their physical and mental health and wellbeing as well as attracting visitors from across the region.



## 2.2 Strategic Aims & Objectives

### Protect our natural environment

We aim to ensure the special wildlife qualities are protected, enhanced and maintained and that we balance the needs of the environment with that of the public.

- Work towards SAC/SSSI favourable status through the Sect.16 Management agreement and deliver woodland management plan in partnership with Natural Resources Wales.
- Support Flintshire's Climate change and carbon reduction strategy by becoming net carbon zero by 2030
- Contribute to Flintshire's target to achieve biodiversity net gain.

### Value our heritage

We aim to protect, conserve and celebrate the rich heritage of Wepre Park.

- Work in partnership with Cadw to safeguard Ewloe Castle
- Maintain Old Hall Garden improvements
- Raise awareness of the unique historic features of the site

### Supporting recreation and access

We aim to be a multifunctional facility which is safe, clean and able to be enjoyed by everyone.

- Maintain Green Flag status

- Ensure access is free from obstructions and work towards improving standards across the site
- Supporting access for all

### Benefit for people


Using Wepre Park's natural assets we aim to provide quality leisure, health and well-being and educational experiences for all.

- Raise public awareness of the important natural and cultural heritage of the site through a rich variety of events, education, and interpretation
- Maximise community involvement through working with the Friends and other volunteers and community groups
- Contribute to the green health initiative by providing a facility of choice for people to use to improve their mental and physical health and wellbeing

### Resource confidence

We aim to provide a stable financial footing to achieve the vision.

- Raise income over and above Flintshire core budget
- Maintain appropriate staffing level to deliver the plan



*We aim to protect, conserve and celebrate the rich heritage of Wepre Park*

## 2.3 Table of Action for Change

AIM	ACTION	LEAD	TARGET COMPLETION
Protect our Natural Environment	Phase 2 extension tree planting.	TL	Mar 2024
	Renew the Management Agreement with Natural Resources Wales (NRW) to deliver positive improvements to the Special Site of Scientific Interest.	ANEM	April 2023
	Develop and agree new woodland plan with NRW whilst tackling ash dieback.	WO	June 2023
	Complete pilot Hydro-Electric project at the dam, test and evaluate.	Energy Team	Feb 2023
	Establish maintenance regime for phase 1 extension area and old golf course.	CR	June 2023
	Wepre Brook bank stabilisation.	CR	Sept 2023

AIM	ACTION	LEAD	TARGET COMPLETION
Value our heritage	Work in partnership with Cadw to maintain and protect Ewloe Castle.	TL	Ongoing
	Repair Old Hall Garden wall and path repairs.	CR	June 2025
	Re-instate the grills for the arches.	CR	July 2023
	Establish a working fountain.	CR	2023
	Work with the Friends of Wepre Park to establish a Garden Maintenance Fund.	TL/CR	2024

AIM	ACTION	LEAD	TARGET COMPLETION
Supporting recreation and access	Secure Greenflag award.	CR	Annual
	Path improvement project/main trail and new golf course path.	CR	2026
	Step replacement project – waterfall and castle steps.	CR	2024
	Parkrun waymarking.	SL	2023
	Modernise the orienteering course and maps.	CR	2024
	Review the provision of benches in the park to identify gaps.	CR	2025

AIM	ACTION	LEAD	TARGET COMPLETION
Benefit for people	Agree fishing lease.	V&E/CQ Anglers	Mar 2023
	Volunteer development project.	TL	Sept 2023
	Develop a programme of large events through external providers.	CAO	Jul 2023
	Changing Places toilet facilities.	TL	Mar 2023
	Signage review and consolidation.	CAO	Apr 2023
	Establish a formal waymarked trail network and tree booklet.	CR/Tree Team	Mar 2023
	Investigate resources for park app development, to incorporate route maps of varying difficulties.	CAO	2023
	Install visitor counter across the park.	TL	Apr 2024
	Review education provision in light of the new curriculum.	CAO	Sept 2023
	Explore a programme of Nordic walking with Aura.	TL	2025
	Stakeholder terms of reference.	TL	Apr 2023
	Liaise with the Police, CCTV and other partners to manage anti-social behaviour in the Park.	CR	Dec 2023

AIM	ACTION	LEAD	TARGET COMPLETION
Resource confidence	Explore street food vendors.	CAO	Mar 2023
	Pilot motorhomes overnight.	TL	Mar 2023
	Explore the potential for the introduction of car parking	ANEM/SS&T	June 2023
	Finalise Café lease.	CAO	Dec 2022
	Define additional hire and fee opportunities eg education area and firewood.	CAO	Sept 2023
	Explore and implement QR code donation opportunities throughout the park.	TL	June 2023
	Run a charitable fun run to support the plan actions.	CR	2024
	Investigate the potential of memorial donations to fund park infrastructure / management	ANEM	2024



## **WEPRE PARK MANAGEMENT PLAN 2022- 2027**

### **Site Information**

#### **1.1 Site details:**

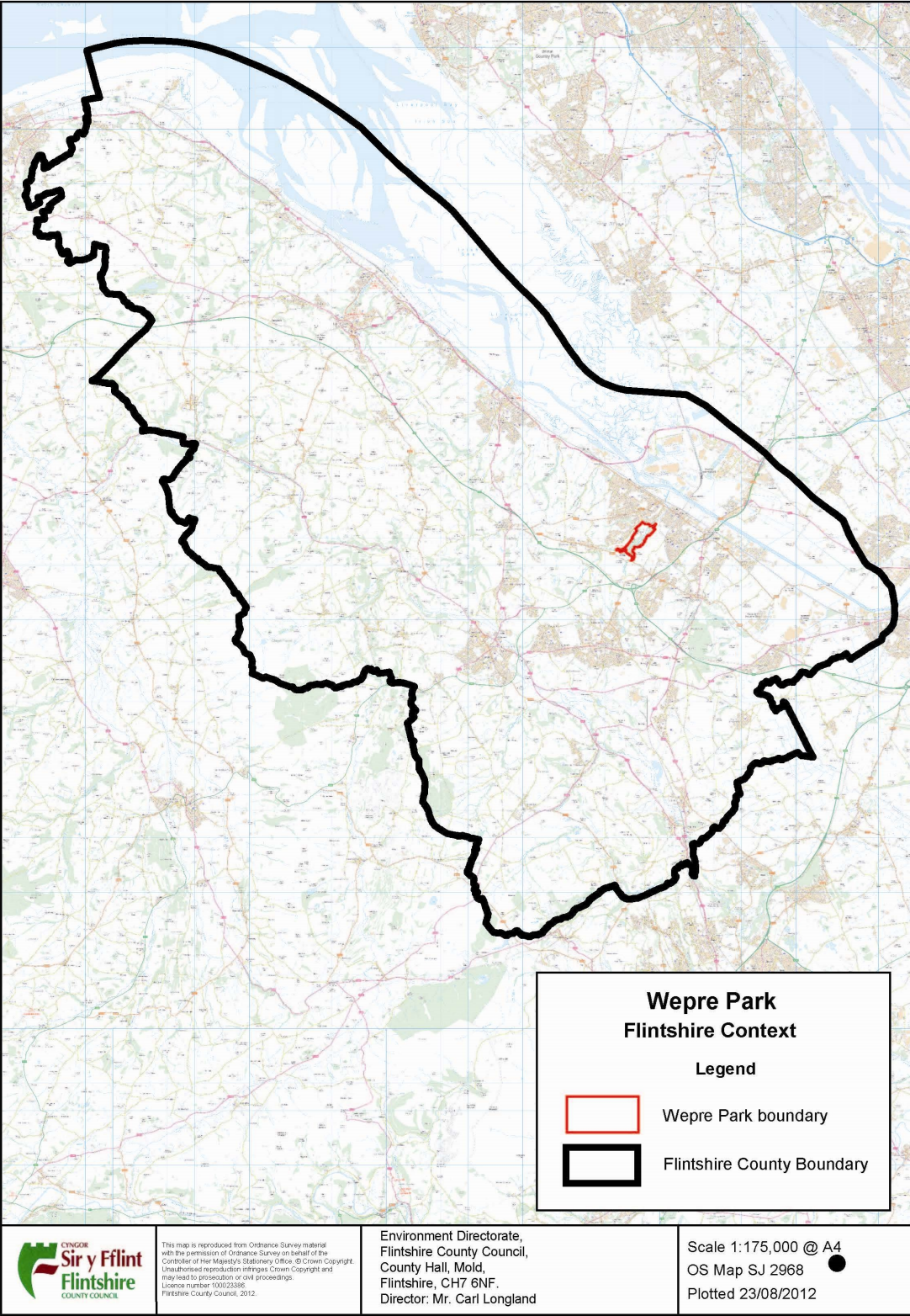
Wepre Park is a 66 hectare urban fringe country park situated in Connah's Quay, Flintshire, Wales. It is one of Flintshire County Council's major recreational sites and has long been a feature that defines Connah's Quay for local people.

The park is multi-functional, currently used for both informal and formal recreation, attracting around 200,000 visitors every year.

The park provides open access to the public. It is open 24 hrs to pedestrians, the car park opening times are dawn to dusk and the visitor centre opening hours are mainly office based during the week and until 3.30pm at weekends.

Beyond the boundaries of the park, there is open countryside to the south and the town of Connah's Quay to the north. With a present population approaching 17,500 (making the town the largest in Flintshire), Connah's Quay is a growing and thriving community within easy reach of Merseyside, Chester and the North Wales coastal resorts and inland towns and villages.

Wepre Park is well located and can be accessed by road from the A55, by rail from the nearby Shotton station and also lies on the National Cycle Network Route 5. It is situated near the region's industrial centre, Deeside Industrial Park. The major part of Tata Steelworks lies on the town's border on the north bank of the River Dee.



## **1.2 Site description**

Wepre is the largest publicly owned country park within Flintshire.

The main features of the Country Park include the remains of Ewloe Castle, remnants of the former Wepre Hall garden, a visitor centre, café, toilets, car park, office and workshop, sports pitches & changing rooms, play area, skate park, angling pond and a network of footpaths throughout the site linking the main habitats of semi-natural ancient woodland, wetland, ponds, streams and grassland.

The majority of the site is mature woodland, either native broadleaf or conifer plantation is managed for a balance of wildlife conservation and informal recreation. Within the woodland there are ponds and clearings and the site is divided by Wepre Brook. The New Inn Brook flows into Wepre Brook at the southern end of the site.

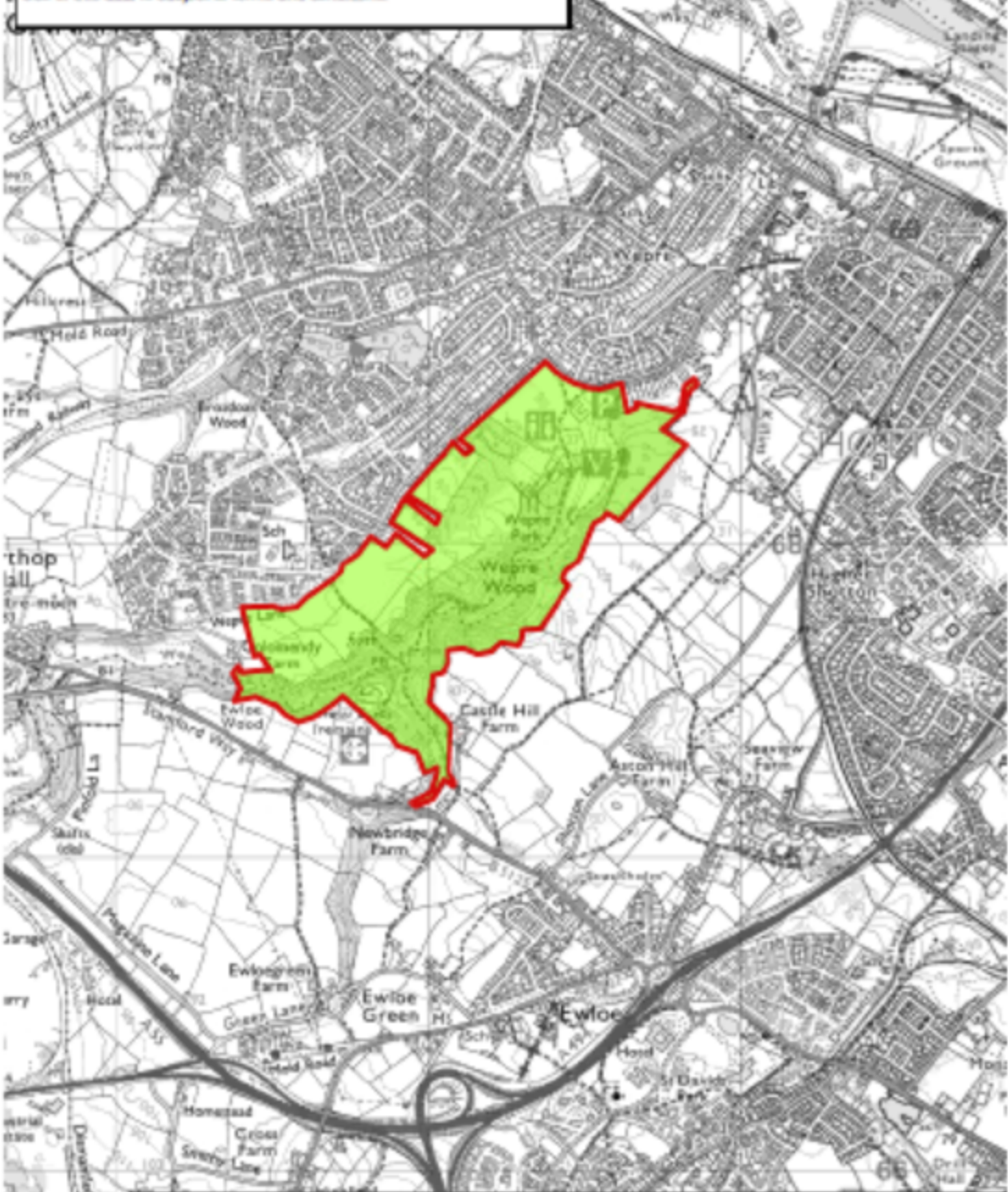
## **1.3 Access**

The park has nine pedestrian access points onto the site distributed around the parks perimeter and is accessible from all sides and one vehicle access point through the main entrance off Wepre Drive into the site's car park.

- Wepre Drive, Connah's Quay, 4 entrances along the front of the park.
- Wepre Lane, Connah's Quay, 2 entrances, 2 kissing gate.
- Ewloe Castle, Access track, 1 entrance, kissing gate.
- Stamford Way, 1 entrance, kissing gate
- Killin's Lane, Shotton, 1 entrance, disabled kissing gate.

The pedestrian access points are accessible through kissing gates. Openings for pushchairs are left at the Killin's Lane entrance and lower Wepre Lane entrance.

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Flintshire County Council  
County Hall Raikes Lane  
Mold Flintshire CH7 6NF

Parc Gwepia  
Wapra Park

28-September-2022



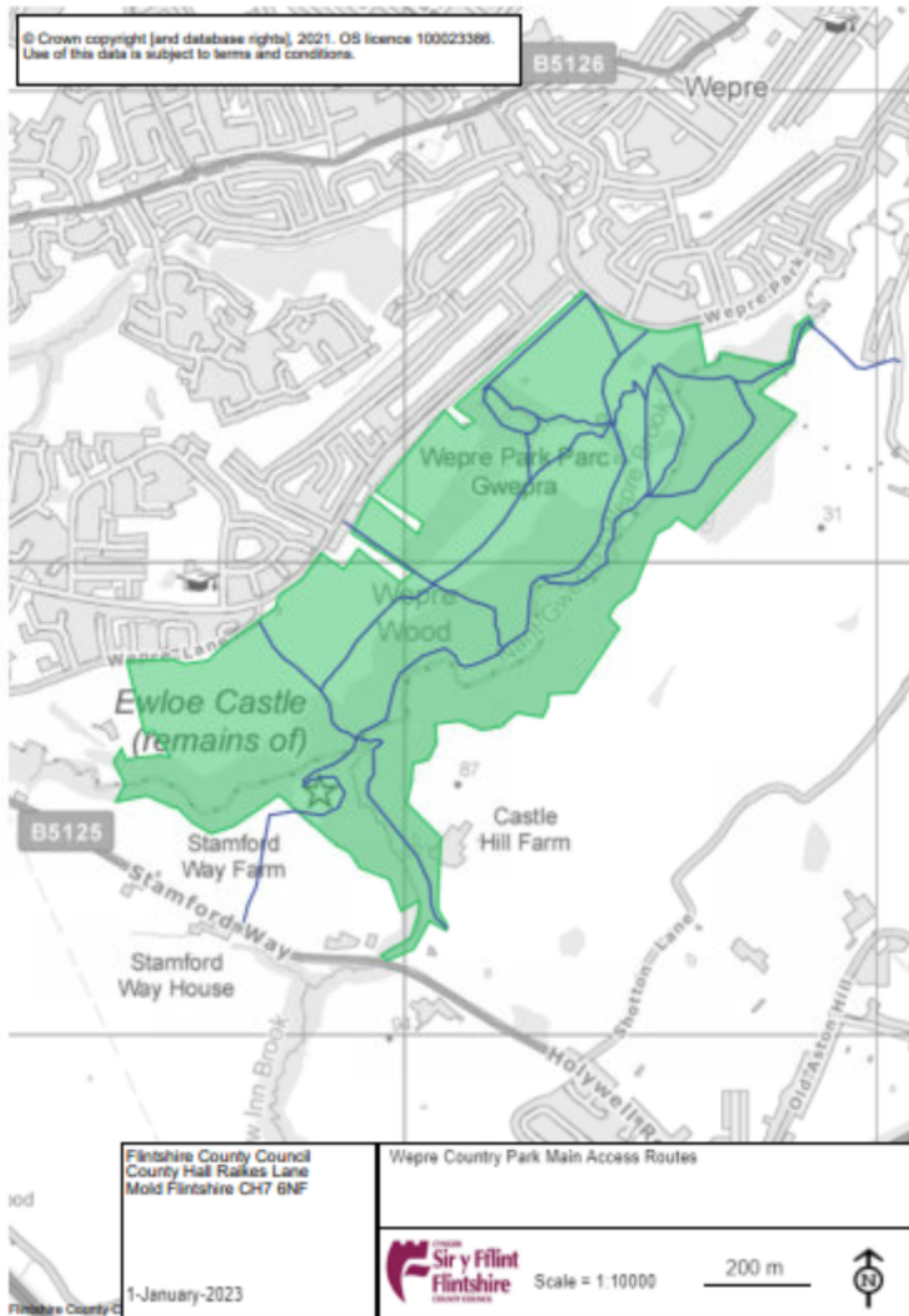
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500 m



## 1.4 Accessibility

There is disabled parking provision on site and the visitors centre has an accessible toilet. Access to the wider park is limited by the topography of the site and the presence of steps at a number of points on the path network. There is however access along the main track and into parts of the gardens.



## 1.5 Facilities

The park has an excellent range of facilities including:

- A visitor's centre with café, toilets and education area
- Sports pitches including a football pitch and changing facilities
- Children's play area and skate park.
- Large car park
- A network of paths
- Fishing Pond

## 1.6 Designations

### 1.6.1 Statutory Designations

Connahs Quay Ponds and Woodlands Site of Special Scientific Interest (SSSI)

Deeside and Buckley Newt Special Area of Conservation (SAC)

In 2002 the majority of the site was designated a Site of Special Scientific Interest (SSSI) for populations of Great Crested Newt, assemblage of widespread amphibian species, and the matrix of semi-natural broad leaved woodland. The SSSI has also formed the basis for the designation of a Special Area of Conservation (SAC) for Great crested newt populations and Sessile oak woodland under the European Habitats Directive (92/43/EEC).

The Directive was set up to create a network of protected wildlife areas across the European Union known as Natura 2000. These sites are part of a range of measures aimed at conserving important or threatened habitats and species which are implemented in the UK under the Conservation of Habitats and Species Regulations 2010.

Natural Resources Wales have a duty to ensure that the SAC is managed favourably for conservation and that the habitats and species are not subject to deterioration or disturbance. In line with this the management and activities at Wepre Park are carried out in close consultation with NRW.

In addition the Local Authority has to ensure that projects undertaken within or adjacent to the SAC do not have a significant effect on the designated features namely great crested newt and the oak woodland. This assessment is a requirement (Regulation 61) under the Conservation of Habitats and Species Regulations 2010.

## Ewloe Castle Scheduled Ancient Monument (SAM)

The castle dates from around 1257 and was built by Llywelyn ap Grufford (Llywelyn the Last), the last great independent Prince of Gwynedd. The castle's proximity to the English Border makes it especially interesting given the political history and relationship between the King of England and the Welsh Princes during this period.

The castle was built as a deliberate statement of Welsh ownership of the disputed lands of East Wales, rather than as a fortress. This was one of the most contested regions in the English/Welsh conflict. Much of the castle's fabric survives including the distinctive central tower with its typically Welsh apsidal plan. The castle stands hidden within the woodland and appears today much as it may have done when it was referred to "built in the corner of the wood".

The castle was brought into public ownership in 2015 as part of the HLF project to facilitate greater access to the site

### 1.6.2 Non- Statutory designations

#### Wepre Gorge - Regionally Important Geological and Geomorphological Site (RIGS)

Wepre gorge is of regional geological/ geomorphological importance because it is an exceptional exposure of the Hollin Rock, a cliff up to 20m high which represents a widespread deltic sandstone body within the Flintshire coalfield. It has been designated a RIGS which is a non-statutory designation but represents the most important sites for geology and geomorphology outside statutorily protected *Sites of Special Scientific Interest (SSSI)*.

Other notable habitats within the site include ponds, streams, wetland and grassland. Wepre Park is an oasis for native birds, plants and animals including several rare and protected species.

Local geological sites have a number of benefits, including:

- providing protection for locally important geological sites;
- increasing public awareness, understanding and enjoyment of rocks, fossils, minerals and landscape;
- providing an environment for people to learn about their local geology;
- forming a focus for partnerships between local authorities, conservation organisations and local people;
- permitting positive management of the geological resource.

## Wepre Wood Wildlife Site (WS)

The semi-natural broadleaved woodland has been recognised for its wildlife value since 1985 when it was first designated a Wildlife Site. Other notable habitats within the site include ponds, streams, wetland and grassland.

The combination of woodland and associated habitats make Wepre Park an oasis for native birds, plants and animals including several rare and protected species. Apart from Great crested newts, this includes reptiles such as grass snake and mammals such as otter, bats and badger.

### **1.7 Habitats**

#### 1.7.1 Woodland

Wepre Park is predominately ancient, broadleaved woodland recognised nationally as an SSSI and of European significance through its SAC designation. The broadleaved woodland is the main feature in terms of the site's management and existing management agreements reflect this.

However the historical landscape can be read and interpreted from the tree species planted during the Victorian period. In particular, the presence of conifer species and the single species plantations are important components of the landscape quality of the park.

There is scope to sustainably exploit the high quality timber present whilst encouraging the regeneration of the native woodland. Retention of landscape features and the historically significant trees is also fundamental to the woodland management, as is the encouragement of public access and quiet enjoyment of the woodland.

Following the purchase of the estate by Connah's Quay U.D.C. there was very little management of the woodland until the late 1950's. At this time there was an extensive programme of felling and replanting with commercial species under a woodland dedication scheme. The woodland has been managed under Better Woodland for Wales Scheme which provides a platform to manage the woodland in a sustainable way taking into consideration socio-economic and environmental issues.

In 2021 adjacent fields to Wepre Park were incorporated under the management of the service and was planted with 5,000 trees.

#### 1.7.2 Ponds

Rosy pond ( 0.5 ha )

The largest pond in the park, managed under lease for angling by Connah's Quay Angling Club.

The Marginal vegetation is sparse, largely restricted to grass and coppice willow. At the west end there is an area excluded from fishing. Yellow flag iris and duckweed are



present here. The pond is a major breeding site for the common toad, which spawns here in large numbers.

#### Three tier pond

These are three linked ponds fed by the spring which formerly provided water for Wepre Hall. The ponds have high water quality and there is evidence of good invertebrate populations.

The ponds are relatively shallow and overlooked by many trees, so consequently have abundant leaf litter. All three newt species are recorded in this pond.

#### Brewery pond

This is a large pond with a good mix of vegetation. Although in the woodland, the pond area is relatively clear of trees. The overflow drains under the paths into New Inn Brook. All three newt species are recorded in these ponds.

#### Taylor's Wood ponds

Four ponds, and several temporary ponds are found in this area of woodland. The largest (known as Taylor's Pond), runs up to the eastern park boundary. There is good vegetation cover with yellow flag, reed mace present. The newt population here declined in recent years due to the introduction of fish. In 1995, the pond was drained and in excess of 100 fish, predominantly carp removed. This has resulted in a recorded increase in the great crested newt population

New Pond was created in 1989, and is situated north of Taylor's pond. It is screened by hawthorn and trees on three sides, and with an open aspect to the east.

There is a good newt population, and several species of damselfly and dragonfly present.

There are two small ponds, probably old coal holes between the two main ponds. Despite its unhealthy appearance, the pond supports a good population of damselflies, especially large red damselfly. Surface vegetation consists entirely of duckweed. There are several depressions in the woodland which retain water over winter and dry up in the summer. The most significant of these is a small area close to the woodland edge which supports a reasonable newt population. This is well screened but tends to be overshadowed by trees.

### 1.7.3 Streams

Wepre Brook flows through the centre of the park, flowing into the river Dee at Connah's Quay through the Wepre Gutter. The River Dee is also designated as an SSSI and SAC primarily for migratory fish such as Atlantic salmon but also for otter.

The catchment for the brook (and New Inn Brook) reaches to Northop, Buckley and Alltami - where the stream is known as Alltami Brook. The stream is shallow, fast flowing in a well defined channel with little associated vegetation. The exception to this is the area above the dam. At this point the stream regularly floods in winter and there is a level area dominated by horsetail, comfrey, valerian, willow and alder. This area

contains some Himalayan balsam and Japanese knotweed. These are pulled every year and the population kept under control.

The stream is known to support a population of bullheads and minnows above the dam. Trout and eel have been reported below the dam. Through frequent stream surveys with school groups a good range of invertebrates has been observed, notably fresh water shrimp, caddisfly and stonefly. Two pairs of dippers are recorded as breeding within the park on Wepre Brook and kingfishers are known to nest just outside the park boundary. Otter have been recorded along Wepre brook and there has been past evidence of water vole but no recent records.

The stream level and flow fluctuates throughout the year. There is a rapid response to any period of heavy rainfall which can change a placid water course into a powerful current overnight.

#### Tufa Deposits

The tufa deposits are an unusual habitat. The presence in the woodland of actively depositing tufa should be retained and damage to the habitat avoided. This has been managed successfully in the past by restricting access and minimising work in the areas. This policy should be continued and the tufa areas monitored.

The wet areas are characterised by pendulous sedge and marsh marigold. The trickling of lime rich water over the soil results in the deposition of tufa. This supports a range of invertebrate species, particularly caddisfly and midge which utilise the tufa for larval cases. This is an unusual habitat in the area and nationally.

#### 1.7.4 Meadows

There are four main areas cut as meadows in the park, and two areas cut as woodland clearings. The meadows are cut once per year, late August, and the cuttings removed.

##### Dell Meadow

The largest area, with meadow foxtail, cock's foot and Yorkshire fog grasses. Flowering species include southern marsh orchid, yellow rattle, yarrow, pignut and clover.

##### North End Rosy Wood

This small area is managed as a meadow area but is primarily used as a rough grass buffer between the woodland and the playing fields.

##### Taylor's Wood, (0.1 ha)

This is a clearing on the eastern boundary. Initially dense growth of nettles and rosebay willow herb were recorded. On the shorter areas, bird's foot trefoil, ground ivy and speedwell's have been found. There is a conflict with cutting for flora and management for great crested newt populations as this site is very close to Taylor's Pond. Management here needs to take the great crested newt population into account.

##### Red Rock Clearing

Sycamore and birch have been cleared from here to widen the meadow and reinstate a view up the valley to Ewloe Castle and down the valley towards Frodsham. A bench has been installed at this point. The meadow has a good show of spring flora.

#### Education Area Meadow

A medium sized meadow containing yellow rattle.

#### 1.8.1 European Protected Species

The key species that need to be considered as integral to management are those protected under European legislation (Conservation of Habitats and Species Regulations 2010) which for this site are great crested newt, otter and all bat species. For these protected species apart from being an offence to deliberately kill or cause significant disturbance, it is also an offence if breeding sites or resting places are damaged or destroyed. Management needs to consider the presence of European protected species and follow good practice guidance to avoid committing an offence. In some cases management practices may need to be modified or rescheduled to a less sensitive time of year, and where this is not possible or adequate then operators may need to apply for a licence to remain within the law. Most activities will be able to continue without the need for a licence through the following of good practice guidance

Management within Wepre Park is undertaken using standard method statements where European protected species are a potential issue. The Better Woodlands for Wales management plan also incorporates management statements for great crested newts and bats.

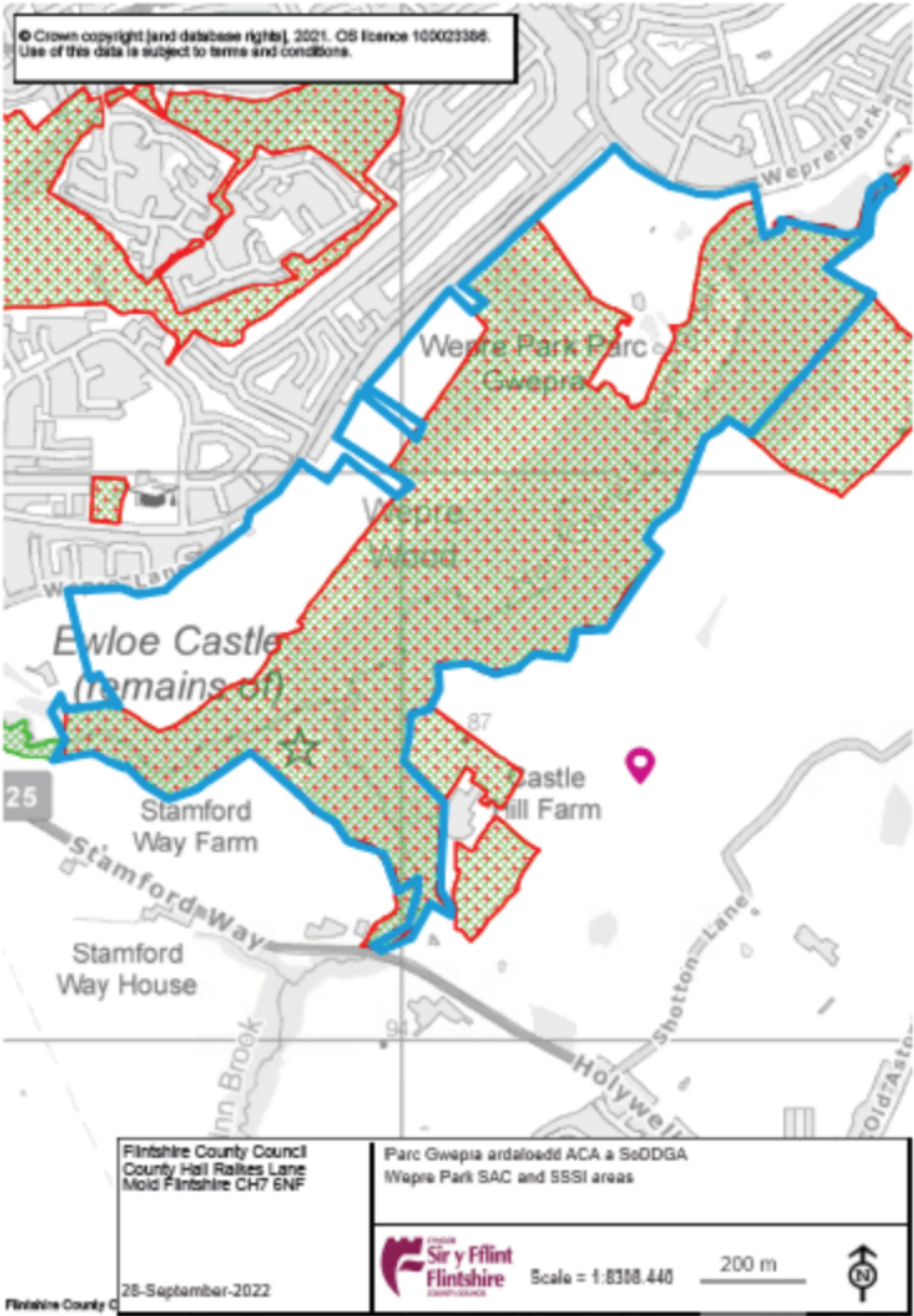
#### 1.8.2 Other Protected species

Badgers are protected under the protection of Badgers Act 1992 and it is an offence to destroy or damage a sett or any part of it. Work in close proximity to badger setts are carried out using best practice guidance.

Nesting Birds are protected under the Wildlife and Countryside Act and it is an offence, to: intentionally take, damage or destroy the nest of any wild bird whilst it is in use or being built and to intentionally take or destroy the egg of any wild bird. As with other protected species best practice guidance is followed.

#### 1.8.3 Species of Biodiversity Importance (s42 list)

Under the Natural Environment and Rural Communities Act (NERC) 2006, all public bodies have a duty to have regard to conserving biodiversity. In conjunction with this the Welsh Government have produced a list of Species and Habitats of Principal Importance in Wales under Section 42 NERC (hereafter referred to as the S42 list). The S42 list includes all of the habitats and species on the 2007 UKBAP list which actually occur in Wales.



## **1.8 Tree survey**

The woodlands at Wepre are surveyed regularly for H&S as part of the management of the site, including ash dieback and other diseases.

## **1.9 The Old Hall Gardens**

The main periods of influence upon the grounds would have been under the direction of Edward Jones (1788 to 1865) and John Rowden Freme (1865 to 1920). Landscape and garden design philosophies and styles between the 18<sup>th</sup> and 19<sup>th</sup> centuries evolved quite considerably, not least during the Victorian age when plant hunting expeditions brought back exotic plants from distant parts of the world, the science of horticulture became established and made these plants more openly available to the public; writing on landscape and garden design spread ideas which responded to art and social attitudes at a time when Britain was at the centre of the industrial revolution; with the rise of wealthy industrialists who wished to express their wealth in the creation of new homes, parks and gardens.

The management of these areas has been minimal over the years, but in 2012-16 a HLF project carried out an extensive restoration. A herb garden and fernery have been added to the garden area during the period of the last management plan.

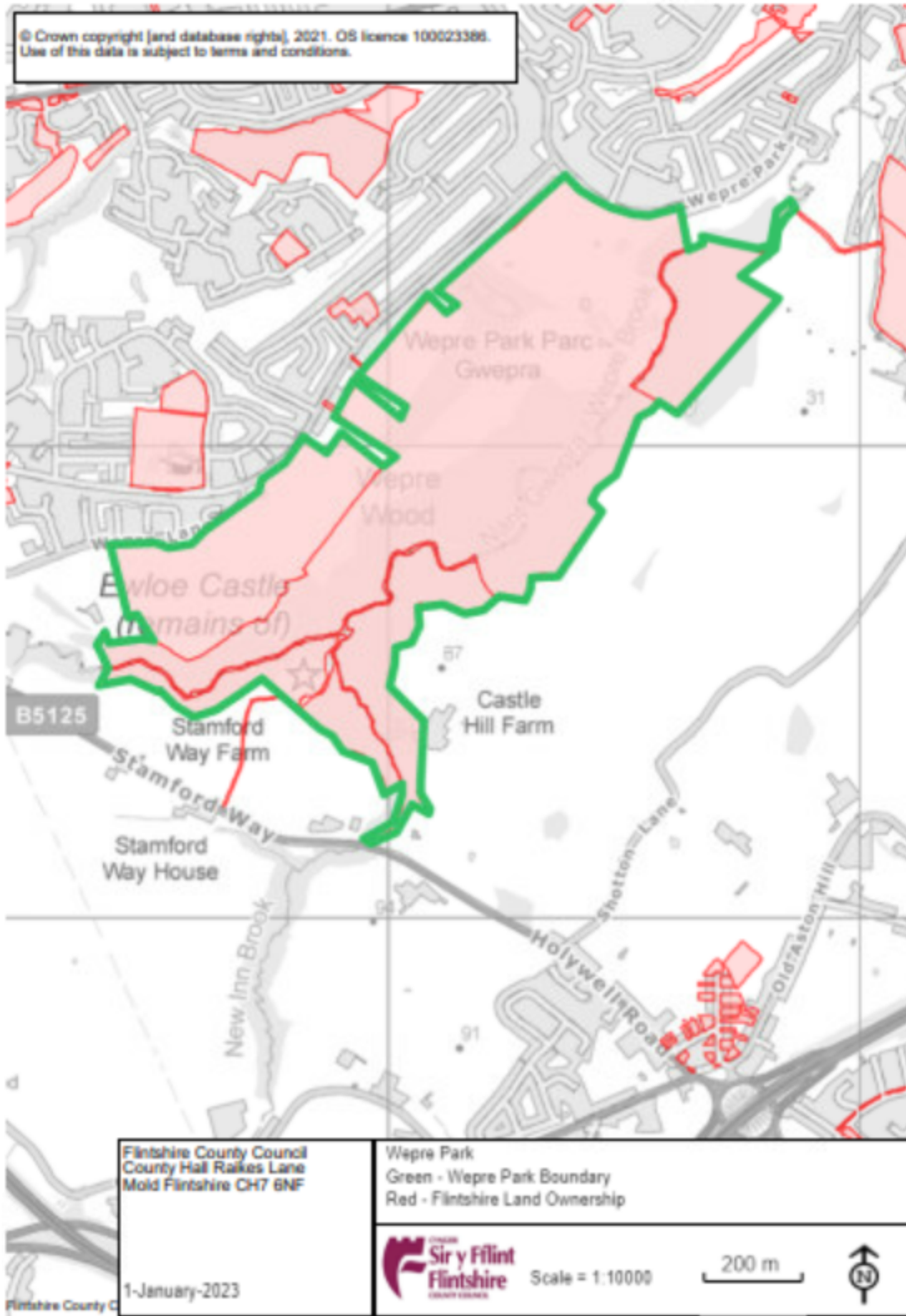
## **1.10 Geology**

Wepre gorge is of regional geological/geomorphological importance because it is an exceptional exposure of the Hollin Rock which represents a widespread deltic sandstone body within the Flintshire coalfield. The Hollin rock at Wepre is a spectacular exposure with a cliff up to 20m high which has been designated a Regionally Important Geological and Geomorphological Sites (RIGS)

## **1.11 Ownership**

The park is owned by Flintshire County Council

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## **1.12 Buildings**

On site there are currently a number of buildings including;

Sports pavilion and changing facilities- These are managed by leisure services who have recently secured funding to upgrade the sports pitches and improve the facilities in the pavilion. These will provide the local community with much needed football and sports facilities and will provide park users with another toilet block.

Visitors Centre – incorporating a café, office space (including the historic cellar from the original Old Hall). The café is leased out to private businesses.

Ranger compound consisting of offices and storage

The spring shed above Brewery pond is evidence of past land use associated with Castle Brewery and was where spring water was extracted. The building is in a derelict state and has the potential to convert to a habitat building – providing added biodiversity interest.

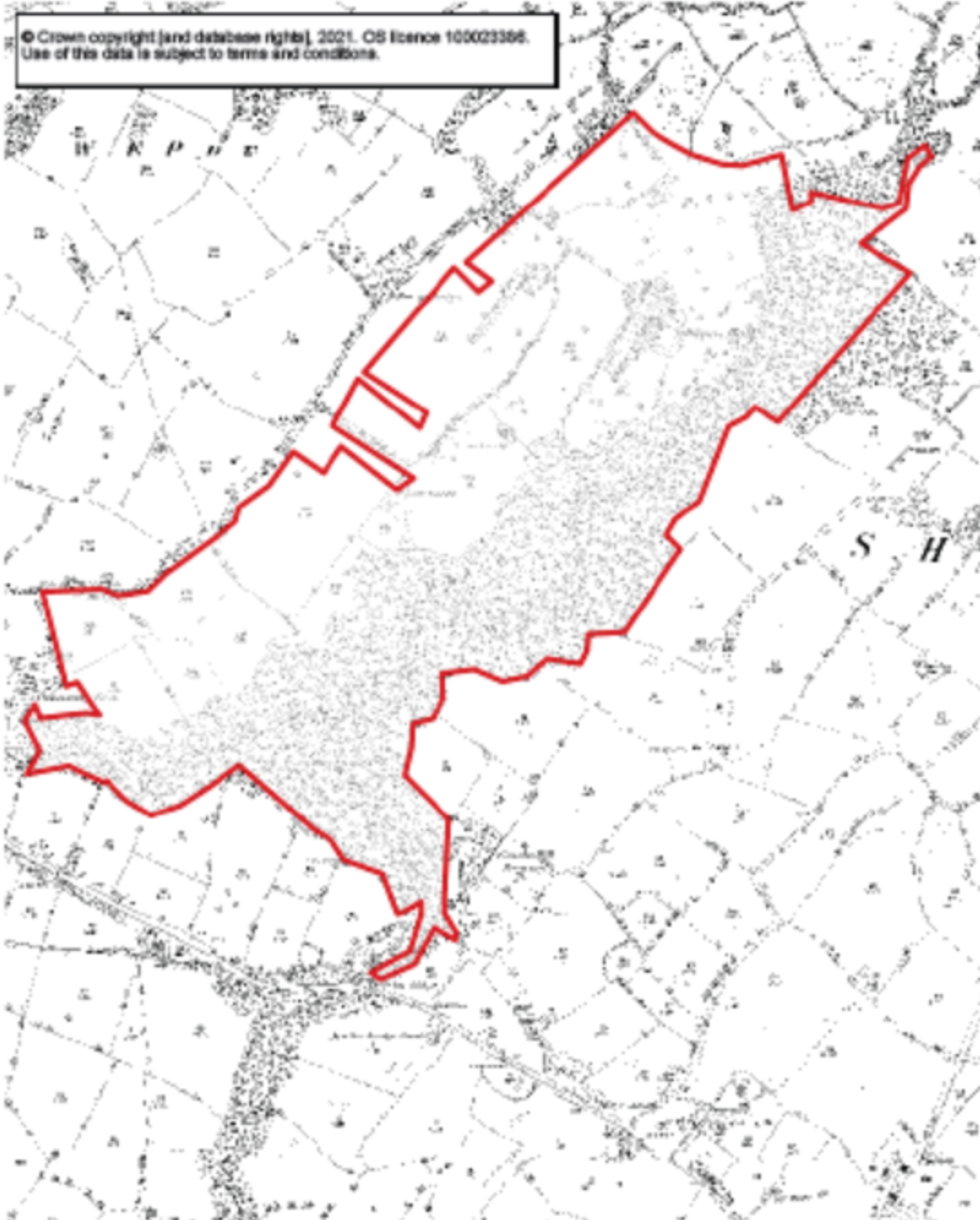
## **2 HISTORICAL CONTEXT**

The site is recorded as woodland in the Domesday Book. At this time the woodland belonged to St. Werburgh's Abbey, Chester and was 1 1/2 miles long and 3/4 mile wide - roughly its present size.

At the southern end of the park, within easy walking distance of Connah's Quay are the remains of Ewloe Castle, which was originally built in the 13<sup>th</sup> century and extended in 1257 by the Welsh Princes during the borderland struggles with Edward I. The castle is a unique Welsh design and was built as a deliberate statement to the English, rather than a fort. The castle is under the guardianship of CADW and is a scheduled ancient monument.

The castle and keep are accessible, as is the popular climb through the walls to the remains of the wall walk. The castle was built by the native Welsh of the area during the borderland struggles with Edward I, and his campaigns to occupy and conquer the Welsh kingdom. For many local people, it represents their Welsh roots in a part of Wales that is heavily anglicised.

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County Hall Rollicks Lane  
Mold Flintshire CH7 6NF

Parc Gwepia Map Hanesyddol 1869 - 1895  
Wepre Park Historical Map 1869 - 1895

28-September-2022



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200 m



Flintshire South



The settlement history of the area is obscure until 1770/1776, when Wepre Hall was built, but there is strong evidence for at least two major residences on the same site going back to the Domesday Book. In the 18th century, formal grounds and gardens were laid out and later extended around 1880. It was at this time that many of the exotic trees associated with the park were planted and the estate extended to some 30 hectares/700 acres. This includes some of the farms that are adjacent to the current park and much of the residential area that is Connah's Quay.

In 1919 the Wepre Hall estate was broken up. The outlying farms were sold and the central portion of the hall and woodlands sold to a developer. In the early 1940's the land was again sold, this time to Connah's Quay Urban District Council.

Following the war the house was used for council housing; the greenhouses and barn eventually became the Council's Parks and Gardens depot and few changes were made.

The old golf course was previously a sand quarry. When this ceased work it was used for domestic refuse landfill. In order to screen this, stands of beech were planted in 1958. At the same time, much of the woodland was felled and replanted with conifer or more commercial species.

In 1960 Wepre Hall was demolished due to its poor state of repair. In the late 1970's approximately 6.25 ha of woodland was compulsory purchased from Killin's Farm. The first management and land use plan was agreed in 1981 and from this time the site has been managed as a country park. It became a SSSI in 2002 for its population of Great Crested Newt, its assemblage of widespread amphibian species and for its semi-natural broad-leaved woodland.

In its heyday, the Estate had greenhouses, stables, two estate cottages, an estate office, a joinery, an annexed billiard room, a fishing lake, boiler rooms, a hydroelectric water-wheel, fountains, formal gardens, formal gates and a drive including a gatehouse, tree-lined avenue and pleasure gardens. It was a significant parcel of land that included most of the area now covered by the centre of Connah's Quay, including the Civic Centre and swimming pool.

Today, the park still retains the landscaping patterns from the 18th and 19th century, as well as the pleasure gardens and several interesting features such as a ha-ha, pet cemetery, the Rosie fishing pool and sections of the walls and remains of prior buildings of the estate.

There are a few surviving local people who remember the Hall and the family that owned it. They can recall the balls and other local traditional events that were held there such as the Easter Sunday walk to Ewloe Castle which, organised by local people continues today on Good Friday every year. They also remember the woodlands when they were managed as an estate rather than an area of open public access.

The existing visitor centre stands on the site of what once was a Saxon dwelling in the 7th century and which later became the site of the Georgian Wepre Hall. The remnants of the Hall's former walled garden remain, as do the original cellars of the Hall beneath the visitor centre. These are used for educational visits to the Park today.

## WEPRE PARK MANAGEMENT PLAN 2022-2027

### 2.1 Resources

Wepre Park is currently managed by the Sites Team within the Access & Natural Environment Service with input from other Authority departments such as Aura and Streetscene.

#### 2022 Staffing

POST	MAIN DUTIES	% TIME AT WEPRE	COST
Access & Natural Environment manager	To conserve and enhance the natural environment of Flintshire and to promote its sustainable enjoyment and understanding by the public through the management and development of Flintshire's Countryside and Natural Environment teams	5	£4,100
Team Leader	As part of the Countryside Service management team, the post is responsible for the management, development and promotion of countryside sites and projects for nature conservation and public recreational access within rural Flintshire	20	£11,600
Ranger	Assist in the development, management, maintenance and promotion of Countryside Service and partnership sites. The work will include conservation, public and private sector relations, promotion of environmental awareness through events and education work; maintenance of the linear and circular walks	90	£42,300
Assistant Ranger	Assist in the management and maintenance of countryside sites and promotion of environmental awareness through events and education work.	25	£7,750
Relief Ranger	Assist in the development, management, maintenance and promotion of Wepre Park and Greenfield Valley.	As necessary	£
Admin/finance Officer	To provide an effective and comprehensive administrative support and reception service to the Countryside Service.	30	£5,000
Countryside Awareness Officer	To promote public understanding, appreciation and enjoyment of the countryside and its heritage. To increase environmental awareness and encourage sympathetic use of the	25	£11,750

	countryside by the public through the provision of high quality information and education services.		
Volunteer support	Non skilled £50 per day	C20 days/month	£12000

<b>Budget</b>	<b>2022/23</b>
<b>Staff</b>	
FCC staff apportioned to Wepre (see table for apportionment)	£94,500
<b>Operations</b>	
Play area maintenance, inspection (Aura)	£5,225
Grass Cutting – (Streetscene)	£3,346
CCTV Monitoring and maintenance and alarms	£6,000
Ewloe Castle	£600
Visitor Centre and premises costs	£29,967
Interpretation and publicity	£1,000
Site maintenance budget to include:	£5,235
Site infrastructure	

	Path maintenance	
	Woodland management/tree works	
	Old Hall Garden maintenance	
Total operations		£51,373
<b>Total Staff &amp; operations</b>		<b>£145,873</b>

Aura and Streetscene manage the Play Area and Skate Park and the mowing of the Leisure areas including all the grass around the car park, play area, football pitches and skate park.

The Valuation and Estates Portfolio manage the pavilion on site.

The Access and Natural Environment Team secure external grants for development projects, including habitat works, access management and visitor services.

## 2.2 Annual maintenance programme

Feature	Responsibility	Funding	Year
<b>1. Wepre Brook</b>			
1.1 Overhanging branches/trees managed to create areas of open/dapple/shade on water	CR	FCC	Annual
1.2 Fallen trees and branches removed which may affect flow to dam and to stone bridge	CR	FCC	Annual
1.3 Monitor flow and areas of erosion and consider remedial management through revetment	CR	NRW FCC	Annual

1.4 Survey and management of non-native species, Himalayan Balsam and Japanese Knotweed  Manage bracken, blackthorn regeneration and ragwort in new fields.	CR	NRW  FCC	Annual
1.5 Remove in-water litter at lowest flow	CR	FCC	Annual
<b>2.Ponds</b>			
2.1 Rosy Pond – All fishing platforms are monitored for damage and repaired when necessary. Liaise with club and review lease as necessary.	Connah’s Quay Angling Club	CQAC	Annual
2.2 Aquatic vegetation. Maintain 33-50% open water	CR	NRW  FCC	3 year rotation  Bank side year 1, aquatic side year 2, leave pond from works year 3
2.3 Bank-side vegetation Cut 3m from edge on south side to prevent shade and leaf litter.	CR	NRW  FCC	3-year rotation
2.4 Survey and management of non-native species	CR	NRW  FCC	Annual
2.5 Maintain pond numbers.	CR	NRW  FCC	Annual
2.6 Survey by torch for newt spp.	CR	NRW	Annual

		FCC	
2.7 De-silt ponds – Taylor’s and Brewery	CR	NRW FCC	Year 1 and 3  Taylor’s – year 1, Brewery year 3 (was desilted in 2015)
<b>3.Access and Infrastructure</b>			
3.1 Carry out patrols to monitor and flag up any issues such as vandalism or damage and to litter pick.	CR	FCC	Weekly
3.2 All main footpaths are surveyed weekly to assess for problems such as erosion, trip hazards.  Surfacing when required.  Paths are cut back of encroaching vegetation	CR	FCC	Weekly     Monthly from May-Sept
3.3 Open Drainage Ditches are cleared out to allow water flow.  French drains renew 1 x 10 yrs.	CR	FCC	Annual  3 month check
3.4 Interpretation Panels/Signs  Restoration as and when needed. Painted/varnished.	CR	FCC	Annual check, renewed year 5
3.5 Steps and Bridges checked  Leaves and debris are cleared off  Topped with dust and maintained when required.	CR	FCC	Monthly  Annual - Dec

3.6 Fencing/Gates are checked and repaired when required	CR	FCC	Annual.
3.7 Bins/Benches are replaced when damaged. Benches are put in from milled timber from Wepre's Woods and are replaced when worn.  Since 2021 Volunteers and members of the public litter pick the park as part of Keep Wales Tidy Litter Picker Champions scheme. Averaging 16 bags / month in high season.	CR + volunteers etc.	FCC	High season – twice daily, more on bank holidays.  Low season – every other day  The front of park is cleared of litter daily.
<b>4. Meadows</b> - Dell, Red Rock, Taylor's, Compound, Rosie, Education Area, New woodland fields.			
4.1 All meadows are cut, raked and baled once flowers have seeded.	CR / Contractor	FCC	Sept – Oct  Annual
4.2 Paths cut through	CR	FCC	May – Sept  Monthly
<b>5. Hedges</b>			
5.1 Front hedge and play area hedge cut 3 times in high season May to Sep  All other hedges are cut end of February to retain berries for wintering wildlife.	CR	FCC	3 times in High Season  Annually
<b>6. Trees</b>			



6.1 Trees adjacent to footpaths, buildings, recreational areas and boundaries are checked for health, damage and works are carried out as soon as possible on recommendation.	CR / FCC Tree Inspector	FCC	Annual
Ash Die Back Survey when trees have flushed	CR		May / June
Maintain new plantings.	CR		
Over hanging branches on main footpaths are cut back annually.	CR		July-Sept
Remove fallen trees/branches on paths when necessary			

**Play**

Weekly inspections are carried out by the play team within Leisure services and equipment is replaced/repared as required.	Aura	Aura	Weekly
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**Grass cutting regime**

Cut grass on pitches and front fields	Streetscene	FCC	Weekly / monthly seasonal variance
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**Activity**

9.1 Education programme	CR / AO	FCC	Summer term
9.2 Events programme	AO / CR /Partners	FCC	Annual
9.3 Support groups and schools in activity	AO / CR /Partners		
9.4 Deliver talks to external groups	CR	Group	

**2.3 Woodland Management Grant Scheme**

**Wepre Park Better Woodlands for Wales Commitment and Review**

**Signed 2012**

**10 years through a 20 year commitment.**

**Licence 2018 to 2023 (Expires 21/10/2023)**

Tudalen 290

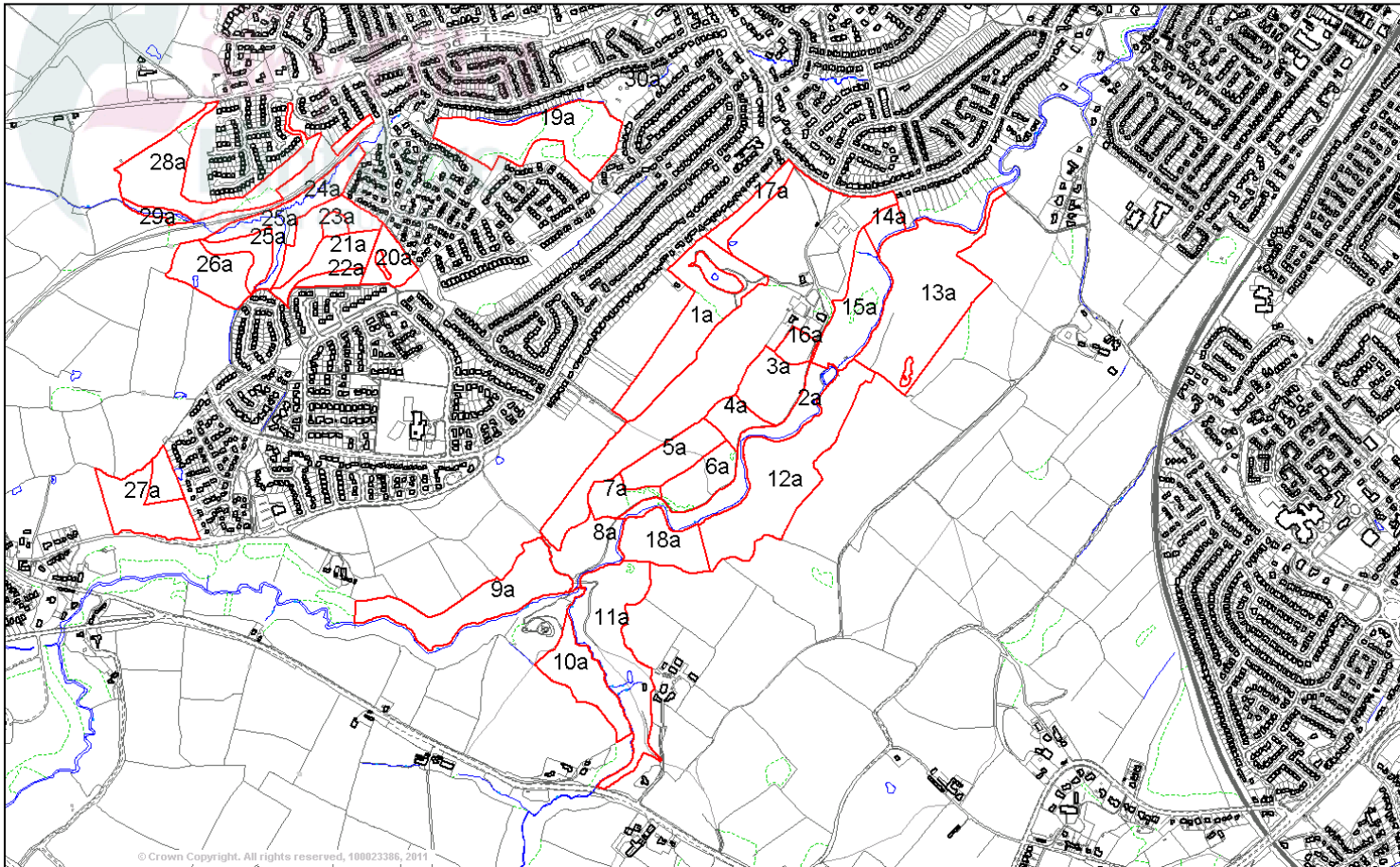
**Operation Group Harvesting**

Compartment	Location	Activity	BWW Status	Status	Comments
Cpt 11a	Wepre	Thin	Partially thinned	Ongoing	Function retained in thinning licence.
Cpt 17a	Wepre	Clean & Respace	Completed	Ongoing	Infected ash marked for removal 2022-23.
Cpt 2a	Wepre	Thin	Partially thinned	Ongoing	Function retained in thinning licence.
Cpt 3a	Wepre	Thin	Partially thinned	Ongoing	Function retained in thinning licence.
Cpt 4a	Wepre	Thin	Completed	Ongoing	Monitor stocking levels due to ADB
Cpt 6a	Wepre	Thin	Completed	Ongoing	Monitor stocking levels due to ADB
Cpt 8a	Wepre	Thin	Partially thinned	Ongoing	Target further removal of Hemlock and Turkey oak regeneration Maintenance programme only. Now access developed to Devils Basin
Cpt 9a	Wepre	Thin	Incomplete	On hold	
Cpt 1a	Wepre	Thin	Completed	Ongoing	Monitor stocking levels due to ADB
Cpt 5a	Wepre	Thin	Completed	Ongoing	Monitor stocking levels due to ADB
Cpt 7a	Wepre	Thin	Completed	Ongoing	Monitor stocking levels due to ADB
Cpt 9a	Wepre	Coppicing	Incomplete	On hold	Maintenance programme only.
Cpt 10a	Wepre	Thin	Completed	Ongoing	Monitor stocking levels due to ADB
Cpt 19a	Wepre	Thin	Completed	Ongoing	Monitor stocking levels due to ADB and consider replanting alder carr.
Cpt 24a	Wepre	Thin	Completed	Ongoing	Monitor stocking levels due to ADB.
Cpt 29a	Broadoaks	Thin	Incomplete	Ongoing	Function retained in thinning licence. Target further removal of Hemlock and Turkey oak regeneration
Cpt 18a	Wepre	Selective Fell	Incomplete	Ongoing	

Cpt 12a	Wepre	Thin	Incomplete	Ongoing	Monitor stocking levels due to ADB.
Cpt 13a	Wepre	Thin	Partially thinned	Ongoing	Function retained in thinning licence.
Cpt 8-12	Wepre	Hab	Incomplete	On hold	Bird and bat box programme cancelled.

**Wepre and Connah's Quay Woodland Compartment Plan (excludes newly planted extension area to the east)**

Tudalen 291



Mae'r dudalen hon yn wag yn bwrpasol

## 2021 Wepre Management Plan Survey

A visitor survey was undertaken at Wepre Country Park between September and October 2021 to provide a bench mark of people's views about the park and inform its future management. 512 people completed the questionnaire. The majority of those who responded were between 31 and 65 year old (83%) with just over 10% older than 65 years old and only 5% younger than 30 years old.

86.6% of respondents lived within 5 miles of Wepre park demonstrating the importance of the park to the local community, of these 43.3% lived within 1 mile. It is encouraging to note that over half of those surveyed (53%) walk to the park whilst just over 40% had arrived by car. Very few people use public transport to visit the park, despite a bus stop being conveniently located a 5 minute walk away. Only 3.1% of respondents did not have access to a car. The majority of people (60.2%) visited the park with their family with just over a quarter visiting alone (27%).

The Survey clearly showed the value of Wepre Park for the health and wellbeing of the local community with over 50% of people using the park at least once a week and of these 11% used the park on a daily basis, 15.9% of those who responded used the park less than once a month. Walking is by far the most frequent activity undertaken (72.7%) followed by park run (6.8%) and wildlife watching (4.6%). Over half of responders owned a dog.

Three quarters of people felt that Wepre Park was good or excellent in delivering against the vision of being welcoming, valued and enjoyed, whilst protecting its heritage and allowing wildlife to flourish. The majority of people also felt that the park delivered well as multifunctional facility which is safe, clean and able to be enjoyed by everyone, that the special wildlife qualities are protected, enhanced and maintained and that its heritage is protected, conserved and celebrated. Less than half of respondents felt that the Park performed good / excellent in raising public awareness about the special features of the site, enriched through events, education and interpretation. Just over a third of people felt that community involvement in the park was maximized to a good standard.

When asked what improvements people would like to see at Wepre Park in 10 years' time, a number of responses stated that they would like to see the park stay as it is. Improving access for disabled users, particularly to Ewloe castle was noted as was improvements to disabled car parking. More bins were highlighted and a dog poo bin by the castle. Tackling anti-social behavior, together with an increased staff presence and police patrols and improved security were raised. Concerns were noted about increased visitor pressure and path erosion. Improvements for wildlife were suggested, as was improved paths for walks on the further side of the river, a bike pump track, development of the play area, an outdoor splash zone / pool and keeping public access to the Rosie.

When asked what facilities people would like to see the most frequent answers were more seats, better toilets, bins, zip wire/ go ape and CCTV. A number of respondents noted that they did not wish to see further developments at the park and wanted it kept natural. Other comments received included outdoor cinema, forest school activities for schools, more parking, high ropes, petting zoo, camping at specific times, a seasonal market, path on the further side of the river, better play area, secure area for dog exercise, summer pool, bike trail, running track around the football pitches and a sculpture trail.

The most frequent response as to how the park could secure resources towards its management was to introduce car parking charges. Other suggestions made were a donation scheme, events including dog walks, runs, treasure hunts, santa walks, car boot sales, cyclo cross, farmers market, business sponsorship, crowd funding to buy land, sponsor a tree/bench, selling wood, gift shop, café improvements, raffle, hiring the fields for events, chargeable education events, celebrity ambassadors, festivals and children's parties. Comments were received that the park should be sufficiently resourced publically and that charges should not be introduced. Others noted that if car parking charges were implemented a local permit should be introduced.

In response to how the park could respond to the challenge of climate change people suggested the planting of trees, a refill water bottle station at the visitor centre, electric car charging points, getting rid of parking, introducing car parking charges, using electric vehicles, stopping the use of plastic, increasing recycling facilities, expanding the park through land purchase, increasing people's awareness, renewable energy generation through solar panels and hydroelectric, increasing the frequency of public transport and cycle links, composting toilet and aim to be carbon neutral.

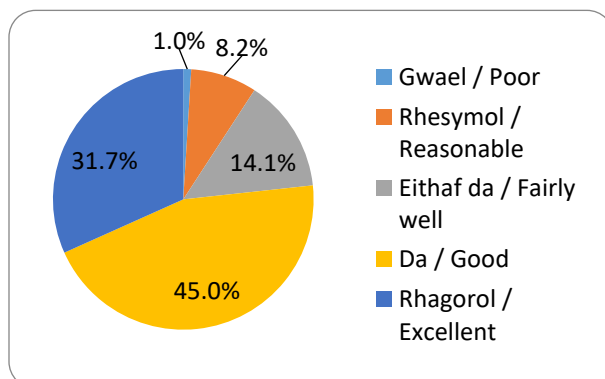
In ranking future work at Wepre Park people put wildlife protection as being the most important followed by path maintenance and community involvement / education. Events and formal sports ranked the lowest.

## Wepre Country Park Survey Questions

We are keen to receive your views about Wepre Country Park, how it is managed and what you would like to see in the future. Your views will help us plan our work for the next 10 years. Please skip any questions if you have no comment, or that you do not wish to answer.

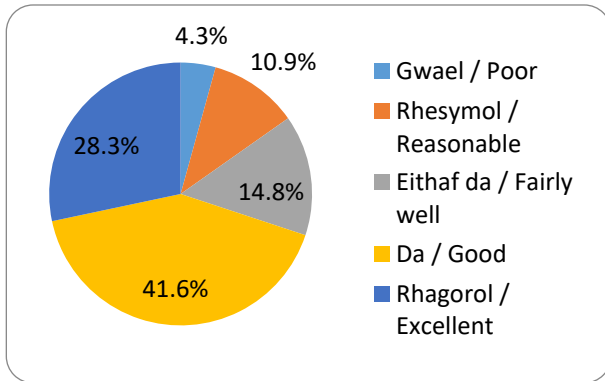
### First we would like to hear your thoughts about the current management of Wepre Country Park.

1. Wepre Country Park strives to be welcoming, valued and enjoyed, whilst protecting its heritage and allowing wildlife to flourish. How well do you feel that the Country Park delivers against this vision?

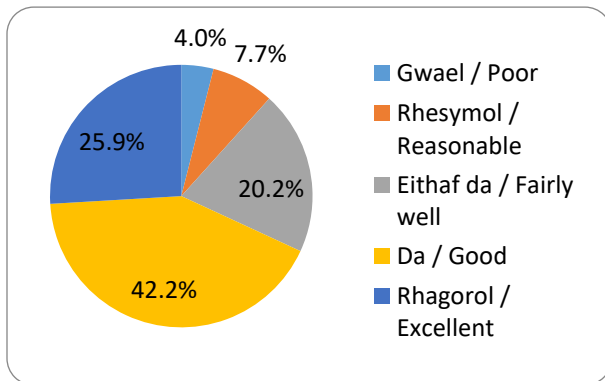


2. How do you rate Wepre Country Park as a multifunctional facility which is safe, clean and able to be enjoyed by everyone?

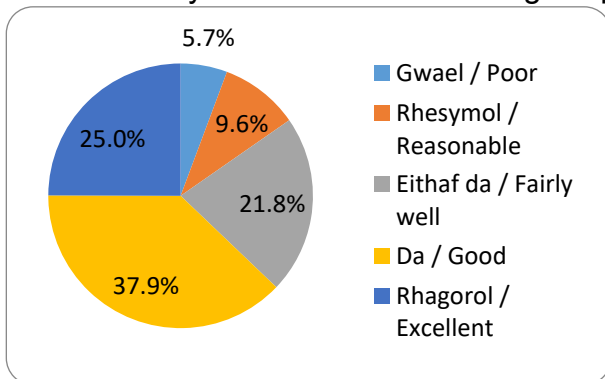




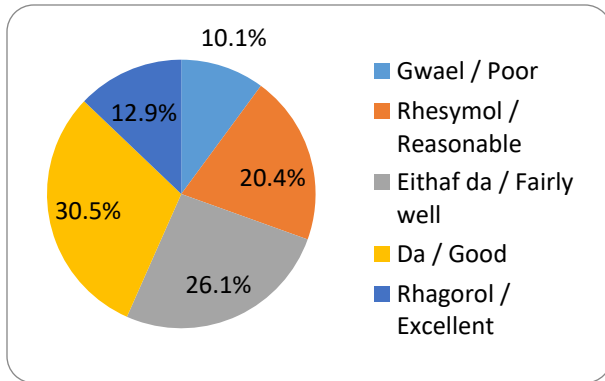
3. How well do you feel the special wildlife qualities are protected, enhanced and maintained at Wepre Country Park?



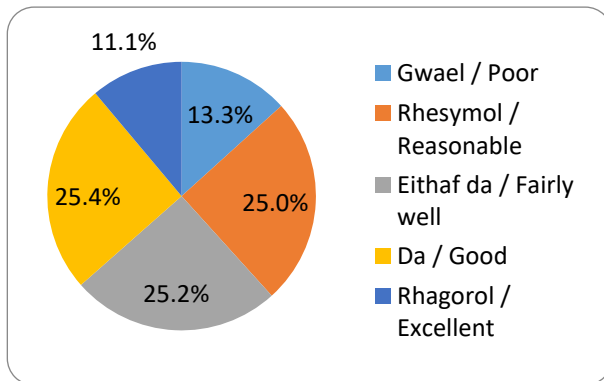
4. How well do you feel the site's heritage is protected, conserved and celebrated



5. How well do you feel the park delivers for public awareness about the special features of the site, enriched through events, education and interpretation? Poor / Reasonable / Fairly well / Good / Excellent



6. How well do you feel that community involvement is maximised within Wepre Country Park?



7. Do you have any comments you would like to make about the current management of Wepre Country Park?

**Next we would like to hear about your views about the future**

8. Please rank the following areas from 1 to 8 in terms of their priority for future work at Wepre Country Park (with 1 being the most important and 8 the least important)

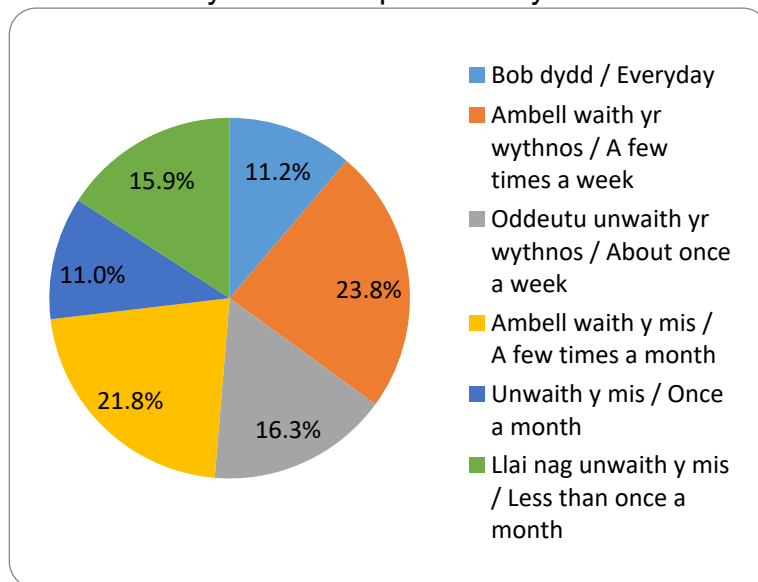
Answer Choice	Total Score	Overall Rank
1 Diogelu bywyd gwylt / Wildlife Protection	3221	1
2 Cynnal a chadw mynediad / Ilwybrau / Access / Path Maintenance	2423	2
3 Ymgysylltu â'r gymuned / gwirfoddoli / Community involvement / volunteering	2241	3
4 Addysg Awyr Agored / Outdoor education	2165	4
5 Cyfleusterau Ymwelwyr / Visitor Facilities	2028	5

6	Ardal Chwarae / Play Area	1728	6
7	Digwyddiadau / Events	1680	7
8	Chwaraeon Ffurfiol / Formal Sports	1109	8

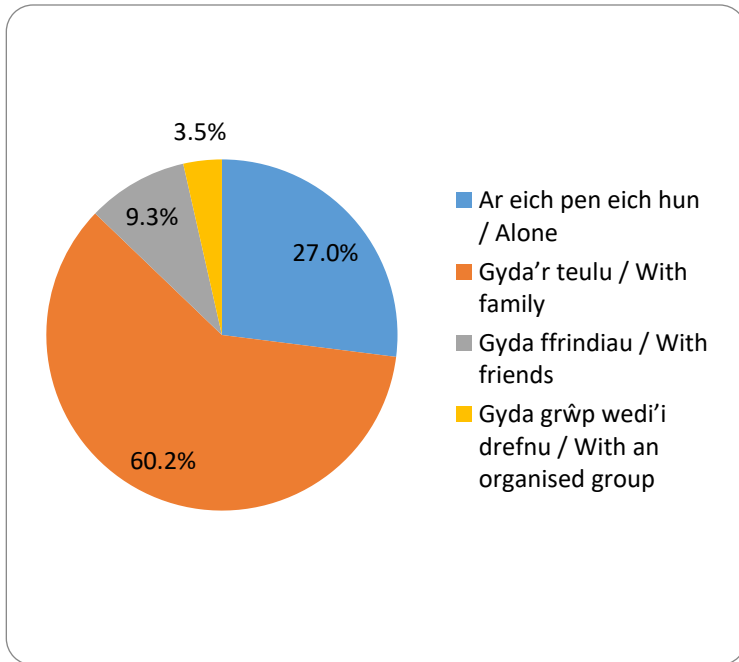
9. What improvements would you like to see at Wepre Country Park over the next 10 years?
10. Do you feel that there is anything missing at Wepre Country Park that the park could offer?
11. Securing resources to fund work at Wepre Country Park is a challenge, have you got any suggestions as to how the Park could increase its income in future?
12. Climate change is a global challenge, have you got any suggestions of how Wepre Country Park can make a possible contribution towards reducing climate change?

**We would like to find out a little bit about you to understand our audience better**

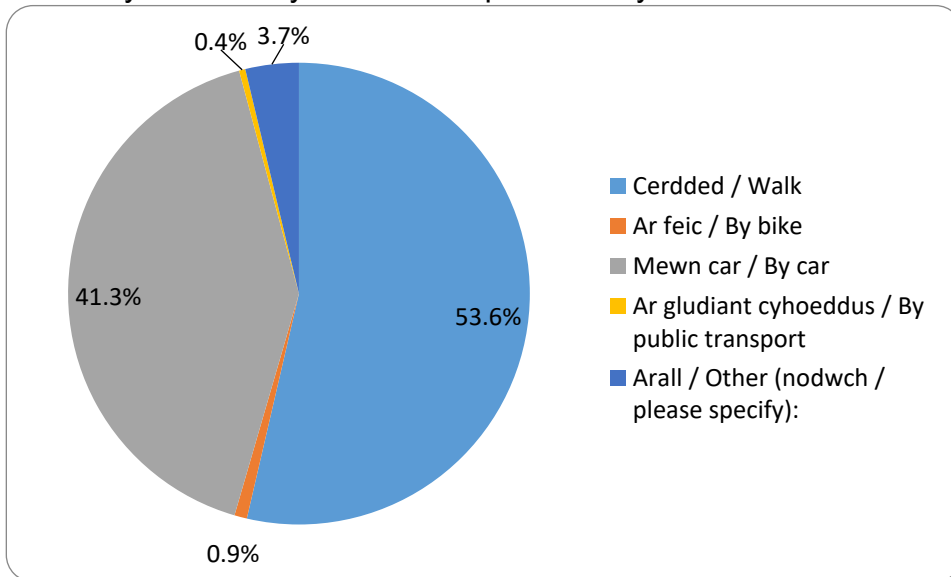
13. How often do you visit Wepre Country Park?



14. Do you normally visit

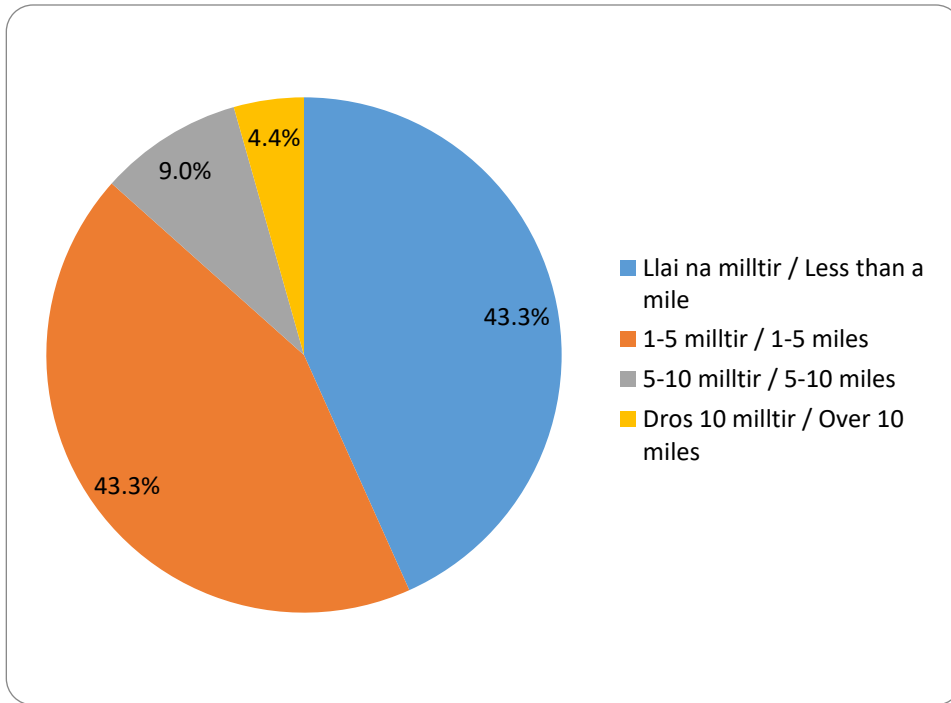


15. How do you normally travel to Wepre Country Park?

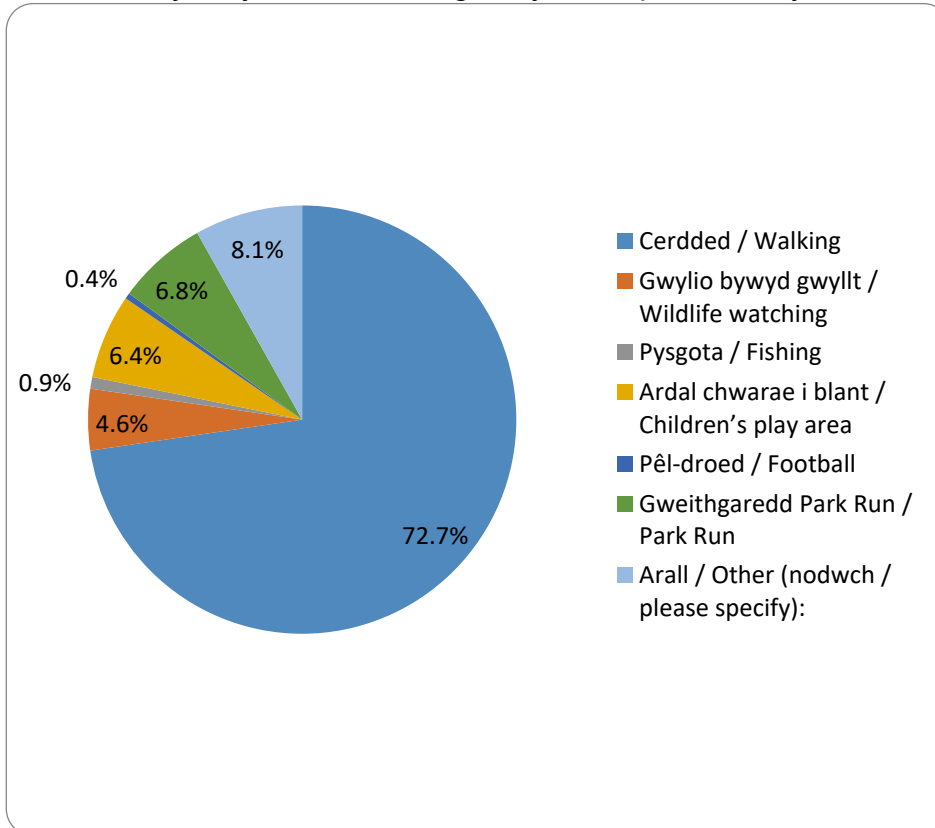


People who noted other commented that they ran to the park or used a mixture of walking / car.

16. How far do you live from Wepre Country Park?

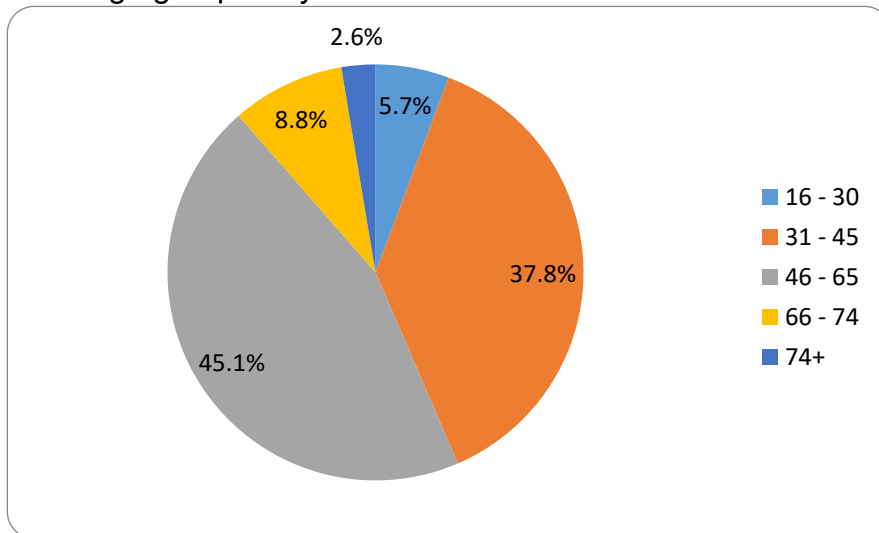


17. What activity do you do most regularly at Wepre Country Park?

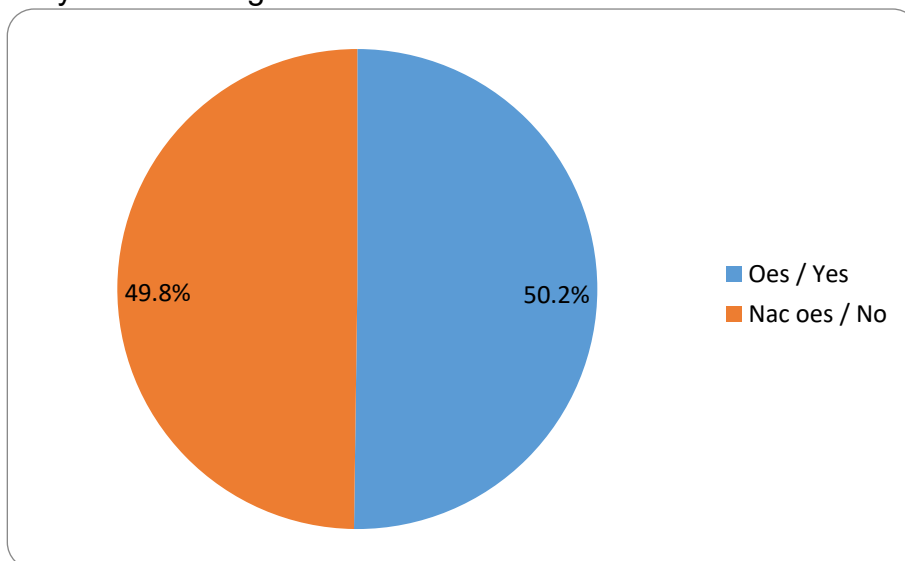


Other activities that were noted (8.1%) were walking the dog, forest school, skateboarding and running independently.

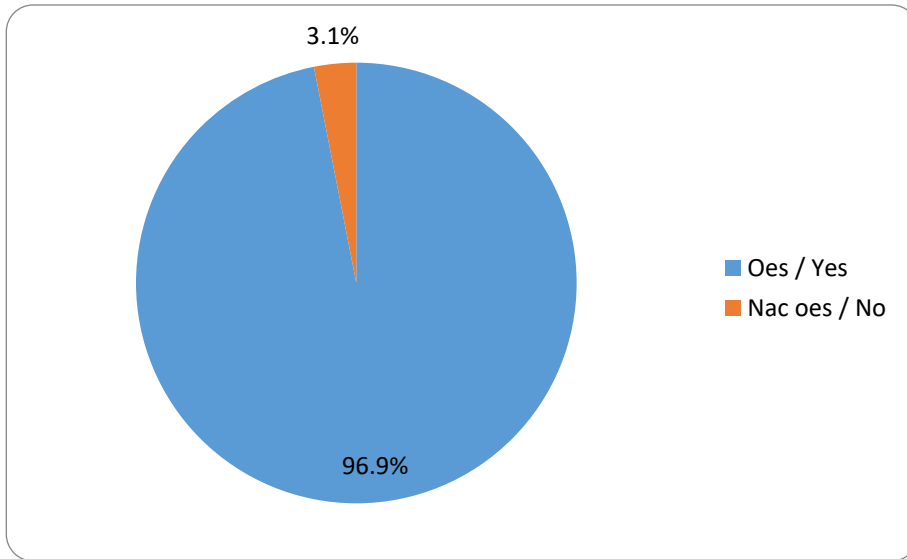
18. What age group are you?



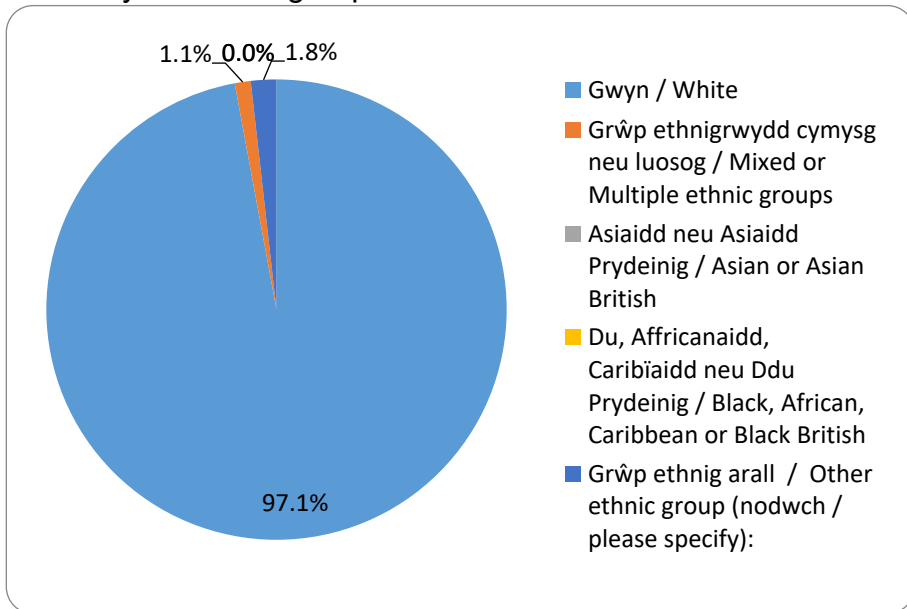
19. Do you own a dog?



20. Do you have access to a car?



21. What is your ethnic group?



Mae'r dudalen hon yn wag yn bwrpasol



# Eitem ar gyfer y Rhaglen 12



## CABINET

<b>Date of Meeting</b>	Thursday, 23 <sup>rd</sup> February 2023
<b>Report Subject</b>	Open Spaces and Highway Memorial Policy
<b>Cabinet Member</b>	Cabinet Member for Climate Change and Economy
<b>Report Author</b>	Chief Officer (Planning, Environment and Economy)
<b>Type of Report</b>	Operational

## EXECUTIVE SUMMARY

Due to the increasing demand for memorials in a openspace, countryside or highway setting, it is necessary to draw up a policy to ensure memorials are in keeping with the character of the local setting and its many and varied uses and users. This report details the proposed policy and principles to ensure a consistent and sensitive approach to the provision of memorial requests.

## RECOMMENDATIONS

1	That Cabinet approves the policy.
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## REPORT DETAILS

1.00	<b>EXPLAINING THE OPENSACES MEMORIAL POLICY</b>
1.01	It is part of all human culture to mark memorable occasions such as birthdays, deaths and anniversaries. Members of the public often wish to mark such occasions in areas of openspace with something more permanent. They may also wish to contribute to the wider natural environment and benefit others. There is also an increasing tendency for relatives and friends to place flowers and other tributes at the scene of fatal road traffic accidents, which can be a source of comfort. There have also been requests for more permanent memorials and this report is intended to advise on this very sensitive subject.
1.02	There is no legislative requirement for the provision of memorial items although it is accepted that they provide a useful and valued public amenity and are also valued by the individuals and families who make the requests. Flintshire County Council has provided opportunity in the past on an ad-hoc basis for people to purchase trees or benches in memory of a loved one.
1.03	Due to the increasing demand for memorials in an openspace or a countryside setting, it is necessary to draw up a policy to ensure memorials, permanent or otherwise, are in keeping with the character of the local countryside and its many and varied uses and users. A memorial site to one individual is a very different site to another, and these diverse interests should be respected. Additionally, there is no specified cut-off time for when grieving should end, and each individual case should be considered on its own unique merits. Above all, the countryside should remain a place for all to enjoy, as well as a place of significance for those wishing to remember occasions and loved ones.
1.04	This policy recognises the need for a consistent and sensitive approach to the provision of memorial requests and acknowledges that the demands for memorials may be far greater than some sites can accommodate. It is recognised that this is a sensitive issue and the proposed policy seeks to balance concerns about safety, environmental sustainability and the wishes of those who may want to lay flowers or place memorials as a mark of respect.
1.05	This policy allows for memorials outside of the traditional cemetery setting, but should not be seen as a replacement. Cemetery memorials are governed by specific regulations and policies, which can be found through this link:  <a href="https://www.flintshire.gov.uk/en/Resident/Funerals,-Cremations--Bereavement/Memorials.aspx">https://www.flintshire.gov.uk/en/Resident/Funerals,-Cremations--Bereavement/Memorials.aspx</a>
1.06	<b>Memorial Policy Statement</b> Requests for memorials in openspace, countryside or highway settings, whether physical structures or natural features, are welcomed. They should be a feature that conserves or enhances the character of the setting and

	<p>people's enjoyment of the outdoors as a recreational resource and place of quiet enjoyment.</p> <p>There may be exceptions to this for reasons of road safety or if the memorial interferes with highway maintenance or causes a distraction or obstruction to other road users, such as pedestrians or cyclists. In such cases, sensitive approaches should be made to those who have placed the memorials to explain the situation. Where the person responsible for placing the memorial is unknown and it presents a road safety risk, it may have to be removed; however, as outlined above, each case should be considered on its individual merits. In principle, providing that the memorial has no detrimental effect on road safety and it does not affect the ability to carry out highway maintenance then it may be acceptable.</p>
1.07	<p><b>Policy principles</b></p> <p>There are 13 principles which will be applied in considering requests and making decisions on memorials and will also set out the principles of the type of memorial to be approved, the location, its safety and future maintenance and replacement.</p>
1.08	<p>The principles also contain reference to the prohibition of releasing of balloons and lanterns due to the potential risks and impact to the countryside of litter fire, animal welfare and wildlife.</p>
1.09	<p><b>Other Information</b></p> <p>Examples of appropriate memorials could include:</p> <ul style="list-style-type: none"> <li>• Planting an un-marked tree</li> <li>• Planting a hedge or small orchard</li> <li>• Contributing to a woodland planting</li> <li>• Benches</li> <li>• Kissing Gate or small bridges</li> <li>• Installing bird or bat boxes</li> <li>• Conservation of a historic feature</li> <li>• Wildflower planting</li> <li>• Sponsoring an event</li> </ul>
1.10	<p><b>Legacy donation</b></p> <p>Alternatively someone may just prefer to give a donation to the Countryside Service to help maintain and enhance the landscape that people use and enjoy.</p> <p>Examples of donations could include:</p> <ul style="list-style-type: none"> <li>• Restoring a section of stone wall.</li> <li>• Improving eroded path</li> <li>• Restoring a wildlife feature</li> </ul>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Potential positive resource implication through additional income.
2.02	Potential costs for removal of inappropriate memorials.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Internal colleagues in the Streetscene & Transportation portfolio.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	This can be a very sensitive issue and, if handled badly, can cause distress, upset and potential reputational damage to the Authority, however there is minimal risk associated with the proposed policy.
4.02	There are conflicting issues with memorials placed within the highway. The placement and maintenance of memorials can in itself involve a road safety risk. A memorial can act as a warning to road users of the possible dangers at the location, but it can also create a hazard to other road users, either as a distraction to passing motorists or as an obstruction to pedestrians and cyclists. There may also be a risk to grieving friends or relatives who attend the location to pay their respects or maintain the memorial, particularly on high speed roads.
4.03	Memorials that are placed inappropriately may also interfere with routine maintenance of the highway, such as grass cutting. There may also be a risk to maintenance operatives for the removal / maintenance of memorials within the highway, depending upon the location.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Openspaces & Highway Memorial Policy.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<b>Contact Officer: Tom Woodall, Access &amp; Natural Environment Manager</b> <b>Telephone: 01352 703902</b> <b>E-mail: <a href="mailto:tom.woodall@flintshire.gov.uk">tom.woodall@flintshire.gov.uk</a></b>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	None.

# Open Spaces and Highway Memorial Policy

## Flintshire County Council

### Introduction

It is part of all human culture to mark memorable occasions such as birthdays, deaths and anniversaries. Members of the public often wish to mark such occasions in areas of openspace with something more permanent. They may also wish to contribute to the wider natural environment and benefit others.

There is also an increasing tendency for relatives and friends to place flowers and other tributes at the scene of fatal road traffic accidents, which can be a source of comfort. There have also been requests for more permanent roadside memorials.

There is no legislative requirement for the provision of memorial items although it is accepted that they provide a useful and valued public amenity and are also valued by the individuals and families who make the requests. Flintshire County Council has provided opportunity in the past on an ad hoc basis for people to purchase trees or benches in memory of a loved one.

Due to the increasing demand for memorials in an openspace, countryside or roadside setting, it is necessary to draw up a policy to ensure memorials, permanent or otherwise, are in keeping with the character of the setting and its many and varied uses and users. A memorial site to one individual is a very different site to another, and these diverse interests should be respected. Additionally, there is no specified cut-off time for when grieving should end, and each individual case should be considered on its individual merits.

Above all, openspace should remain a place for all to enjoy, as well as a place of significance for those wishing to remember occasions and loved ones.

This policy recognises the need for a consistent and sensitive approach to the provision of memorial requests and acknowledges that the demands for memorials may be far greater than some sites can accommodate.

This policy allows for memorials outside of the traditional cemetery setting but should not be seen as a replacement. Cemetery memorials are governed by specific regulations and policies, which can be found through this link:

<https://www.flintshire.gov.uk/en/Resident/Funerals,-Cremations--Bereavement/Memorials.aspx>

### Memorial Policy Statement

Requests for memorials in openspace, countryside or highway settings, whether physical structures or natural features, are welcomed. They should be a feature that conserves or enhances the character of the setting and people's enjoyment of the outdoors as a recreational resource and place of quiet enjoyment.

There may be exceptions to this for reasons of road safety or if the memorial interferes with highway maintenance or causes a distraction or obstruction to other road users, such as pedestrians or cyclists. In such cases, sensitive approaches should be made to those who have placed the memorials to explain the situation. Where the person responsible for placing the memorial is unknown and it presents a road safety risk, it may have to be removed; however, as outlined above, each case should be considered on its individual merits. In principle, providing that the memorial has no detrimental effect on road safety and it does not affect the ability to carry out highway maintenance then it may be acceptable.

## **Policy principles**

The following principles will be applied in considering requests and making decisions on memorials and will also set out the principles of the type of memorial to be approved, the location, its safety and future maintenance and replacement.

1. The type of memorial requested must be in keeping with the area that it is to be placed.
2. Requests for additional benches, gates, other structures or trees etc. will only be considered at sites where these additional items can be accommodated reasonably, it is safe to do so and where the Council would seek to increase the existing numbers in any event.
3. The location will be chosen to minimise future maintenance and vandalism.
4. The full cost of a new memorial together with installation and administration will be borne in full by the applicant, where a refurbishment is agreed then the full cost of the refurbishment will be borne by the applicant.
5. The applicant can provide the memorial plaque to a pre agreed design, size and text, or have their memorial/donation reflected in a commemoration book at our visitor centres.
6. The applicant will have no claim of ownership to the item and will not be permitted to make any changes to the item after installation. Neither will they be allowed to place any additional mementoes or memorials at the site whether temporary nor permanent, to include the leaving of flowers (fresh or artificial).
7. The Council will maintain the item in the same way as it does similar items in the vicinity.
8. The Council will not be responsible for replacing the item where, it has reached the end of its natural life, replacement due to normal wear and tear, or for replacement as a result of damage whether accidental or wilful.
9. The Council will set standards in respect of specific items and requests will be considered in line with these standards. (E.g. construction materials used for benches and gates, wildflower seed mix composition, maintenance costs and durability, size, dimensions, colour etc.)

10. Occasionally a unique rather than standard item may be requested as a memorial. In these circumstances, details of the construction, materials and specifications will need to be submitted to the Council for consideration as part of the approval process.

11. Applicants who have approval will be asked to enter into an agreement with the Council setting out the terms and conditions for the memorial. Where an applicant is unwilling to agree to the terms and conditions then their request will be refused.

12. The releasing of balloons and lanterns are prohibited due to the potential risks to the countryside of litter, fire, animal welfare and wildlife.

13. The Council reserves the right to refuse an application.

### **Other Information**

Examples of appropriate memorials could include:

- Planting an un-marked tree
- Planting a hedge or small orchard
- Contributing to a woodland planting
- Benches
- Kissing Gate or small bridges
- Installing bird or bat boxes
- Conservation of a historic feature
- Wildflower planting
- Sponsoring an event

### **Legacy donation**

Alternatively, you may just prefer to give a donation to Flintshire County Council to help maintain and enhance the landscape that people use and enjoy.

Examples of donations could include:

- Restoring a section of stone wall.
- Improving eroded path
- Restoring a wildlife feature

Flintshire County Council can provide advice on appropriate memorials and locations. Contact – Countryside Sites Team Leader on 07775684318. Or Streetscene on 01352 701234

Mae'r dudalen hon yn wag yn bwrpasol



# Eitem ar gyfer y Rhaglen 13



## CABINET

<b>Date of Meeting</b>	23 <sup>rd</sup> February 2023
<b>Report Subject</b>	Age Friendly Community Development
<b>Cabinet Member</b>	Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing
<b>Report Author</b>	Chief Officer (Social Services)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

This report provides an update on the development of age friendly communities in Flintshire, and seeks support for the submission of an application for membership of the World Health Organisation (WHO) Global Network of Age Friendly Cities and Communities. An update report was presented to the Chief Officer Team in September 2022, and received support.

The Welsh Government launched a 'Strategy for an Ageing Society' in October 2021. This strategy provides a vision for Wales to be an age friendly nation. Supporting people of all ages to live and age well and to participate in their community. To support the implementation of this vision, Welsh Government has invited all local authorities to apply for membership of the WHO global network.

Membership will provide a number of positive impacts. It will demonstrate Flintshire's to supporting, valuing and celebrating its ageing population. It will also provide an opportunity to share best practice ideas and resources with other members. Flintshire is one of a small of Welsh counties that are currently developing plans to make an application. Cardiff recently attained membership, the first in Wales.

In Flintshire, there is a long standing commitment to developing age friendly communities, demonstrated when the Council signed the Dublin Declaration in 2014, underlining its commitment for Flintshire to become age friendly. The Flintshire Public Services Board prioritised in the Wellbeing Plan for Flintshire, the continued development of age friendly public services and communities.

Significant progress has been made over a number of years to build age and dementia friendly communities in Flintshire. This includes the establishment of community cafes, action groups, information sharing, intergenerational projects and digital inclusion initiatives. This work has set a firm foundation for further

development and collaboration, aligned to the structured WHO network membership process.

## RECOMMENDATIONS

1	Cabinet notes the progress being made to develop age friendly communities in Flintshire.
2	Cabinet approves the proposal for Flintshire to submit an application for membership of the WHO Global Network of Age Friendly Cities and Communities.
3	Cabinet provides a commitment for the continued support of all Council services to collaborate with the Social Services team to make Flintshire a great place to live for the ageing population.

## REPORT DETAILS

<b>1.00</b>	<b>AGE FRIENDLY COMMUNITY DEVELOPMENT</b>
1.01	<p><u>World Health Organisation Global Network of Age-Friendly Cities &amp; Communities</u></p> <p>In response to the world's ageing population, the World Health Organisation (WHO) has set a priority for the development of age friendly cities and communities. This means cities and communities that are inclusive and equitable places which leave no one behind – especially the most vulnerable older people.</p> <p>The WHO has developed a Global Network to support cities and communities to adapt their systems and structures to become age friendly. As members of this network, cities and counties can benefit from a positive reputational impact as places that value older people and work continuously to develop age friendly services and environments.</p> <p>Members of the network can access advice and share best practice across the world, building a better informed understanding of how to meet the needs of an ageing population whilst also harnessing the significant contribution that older members of the community can make.</p>
1.02	<p><u>Welsh Government Strategy</u></p> <p>The Welsh Government launched a 'Strategy for an Ageing Society' in October 2021. This strategy provides a vision for Wales to be an Age-Friendly nation, supporting people of all ages to live and age well and to ultimately celebrate age.</p> <p>To support the implementation of this vision, Welsh Government committed additional funds to all local authorities to further develop partnership working to make communities age friendly and to achieve and</p>

	retain membership of the WHO Global Network of Age Friendly Cities and Communities.
1.03	<p><u>Ageing Well Engagement</u></p> <p>The development of age friendly communities and services in Flintshire was prioritised in the 'Ageing Well in Flintshire Plan 2016–2020'. Engagement has been essential to the positive outcomes delivered, with strong links formed with residents and community groups, including the 50+Action Group and Age Friendly Community Groups. This has helped Social Services and other Council and public service teams to increase understanding and respond to the needs of older people.</p> <p>The success of age friendly developments and initiatives has been achieved with support from all Council service teams, collaboration with third sector partners and close engagement with community groups and residents. Engagement has helped to provide a voice for older people to ensure equality and has informed the development of age friendly public services and policies.</p> <p>The WHO Global Network project, provides an opportunity to reenergise age friendly development and policy making. Welsh Government funding has enabled the recruitment of an Ageing Well Engagement Officer in Flintshire, and has facilitated a collaboration with third sector partner, Volunteering Matters in the current year. Led by the Older Peoples Strategy Coordinator, this project team are engaging with older people across the county to understand the current needs and priorities.</p>
1.04	<p><u>Membership Application</u></p> <p>To apply for membership of the Global Network of Age Friendly Cities and Communities, the local authority is required to develop an Age-Friendly Action Plan. This plan in an advanced stage and has been reviewed periodically with Welsh Government colleagues. The plan demonstrates the excellent age-friendly community engagement, activities, services and amenities already in place in Flintshire. It also provides a clear plan for continued engagement and development.</p> <p>The Flintshire Age-Friendly Action Plan defines the priorities for improving the age-friendliness of our communities in alignment with the WHO's eight 'Age-Friendly Domains' as follows:</p> <ul style="list-style-type: none"> <li>- Outdoor space and public buildings – creating accessible communities to enable people to stay connected, participate in social activities and access local services and facilities.</li> <li>- Transport - affordable, reliable and convenient transport options enable people to get out and about and continue to do things that matter to them.</li> <li>- Housing – access to affordable, independent, or supported accommodation in safe and engaging communities.</li> </ul>

	<ul style="list-style-type: none"> <li>- Social participation – enabling older people to stay connected with friends and family, and to participate in community activities.</li> <li>- Respect and social inclusion – empowering age-friendly communities to challenge ageism by bring people of different ages together to foster positive images of ageing.</li> <li>- Civic participation and employment – facilitating involvement in a broad range of activities such as working, volunteering, being politically active or taking part in local groups or clubs.</li> <li>- Communication and information – making information about community events, activities and services widely available and accessible to all.</li> <li>- Community support and health services – providing accessible, affordable health and care services to support older people to stay healthy, independent and active.</li> </ul> <p>Applicants must also develop web-based content to provide information and support to community residents in relation to age-friendly activities and services. This content has been developed for review and approval before final translation and publishing.</p>
1.06	<p><u>Application Support</u></p> <p>The membership application for Flintshire, and continued development of age friendly communities, will require the support of the Cabinet.</p> <p>A condition of the application submission, is for a written letter of support from the Leader of the Council to accompany the application documents.</p> <p>The target for submitting the application is February 2023.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	<p><b>Revenue:</b> Welsh Government funding of £50,000 was provided for 2022/23, and enabled the appointment of the Ageing Well Engagement Officer. The funding has also enabled collaborative community engagement and development with third sector partner Volunteering Matters. Funding has also contributed to community activities and events, supporting community groups to restart meetings and activities that were impacted during Covid-19 social restrictions.</p> <p>Welsh Government has confirmed that funding of £50,000 will be made available in 2023/24 and 2024/25 to support local authorities to undertake ongoing projects and activities that help to develop and maintain age friendly communities. A detailed proposal for the use of this funding will be developed by the project team by the end of 2022/23.</p>
2.02	<p><b>Capital:</b> There are no implications for the approved capital programme for either the current financial year or for future financial years</p>

2.03	<p><b>Human Resources:</b> An Ageing Well Engagement Officer post has been introduced for a fixed term period, to be reviewed throughout the project. There are no other implications for additional capacity or changes to current workforce structures or roles.</p> <p>Support from all Council portfolio teams will be essential to develop age friendly communities and deliver successful membership of the network. This will not require additional resources as the scope and objectives align closely to the Council’s current policies and commitments to older residents. Social Services will lead the project and seek information and support from other teams as required.</p>
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<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	<p>The development of age friendly communities and the application to become a member of the WHO Network produce a number of positive impacts on the lives of older people and other residents and community groups. The key aims are to develop age friendly, safe and accessible communities, encouraging engagement and participation for people regardless of age.</p>
3.02	<p>The timescales for achieving membership are flexible and present a low risk if the process takes longer than anticipated. However, the project team have set a target of achieving this within 2022/23. It is important to note that Network members do not have to demonstrate that all communities, services and processes are fully age-friendly, but rather to present a commitment and a clear plan for action.</p>

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	<p>Older people, aged fifty and over in Flintshire will be engaged throughout this process to ensure that the ‘Age-Friendly Flintshire Plan’, to be submitted with the application, reflects the key priorities and needs of older people in the community.</p>
4.02	<p>The project team is working closely with third sector colleagues in Flintshire on related activities that will provide a positive benefit to the development of age friendly communities. For example, work is in progress with Flintshire Local Voluntary Council (FLVC) to support Welsh Government initiatives to develop more Connected Communities and to reduce loneliness and isolation. Social Services is also working in partnership with North East Wales Carers Information Service (NEWCIS) to develop Dementia Friendly services and community amenities.</p>

<b>5.00</b>	<b>APPENDICES</b>
5.01	None

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Link to the a preview of the Flintshire web pages to promote and provide further information on Age-friendly Communities:</p> <p><a href="https://preview-flintshire.cloud.contensis.com/en/Resident/Social-Services/Age-Friendly-Flintshire/Age-Friendly-Flintshire.aspx">https://preview-flintshire.cloud.contensis.com/en/Resident/Social-Services/Age-Friendly-Flintshire/Age-Friendly-Flintshire.aspx</a></p>
6.02	<p>Link to the Welsh Government Strategy for an Ageing Society:</p> <p><a href="https://gov.wales/age-friendly-wales-our-strategy-ageing-society">https://gov.wales/age-friendly-wales-our-strategy-ageing-society</a></p>
6.03	<p>Link to a summary of the World Health Organisation Global Network of Age-Friendly Cities and Communities:</p> <p><a href="https://www.who.int/publications/i/item/WHO-FWC-ALC-18.4">https://www.who.int/publications/i/item/WHO-FWC-ALC-18.4</a></p>
6.04	<p>Link to the Members Website for those that have successfully joined the World Health Organisation Global Network of Age-Friendly Cities &amp; Communities</p> <p><a href="https://extranet.who.int/agefriendlyworld/who-network/">https://extranet.who.int/agefriendlyworld/who-network/</a></p>

7.00	CONTACT OFFICER DETAILS
7.01	<p><b>Contact Officer:</b> Michael Jones, Wellbeing and Partnership Lead  <b>Telephone:</b> 01352 702546  <b>E-mail:</b> michael.jones@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p><u>Age Friendly Community / Ageing Well</u></p> <p>An Age-Friendly Community is one where everyone, regardless of age is able to stay healthy and active and participate in the community, and where everyone is treated with respect.</p> <p><u>Age-Friendly Domains</u></p> <p>The World Health Organisation Age-friendly Cities &amp; Communities framework proposes eight interconnected domains that can help to identify and address barriers to the well-being and participation of older people and others as they age (outdoor spaces and public buildings, 2) transportation, 3) housing, 4) social participation, 5) respect and social inclusion, 6) civic participation and employment, 7) communication and information, 8) community support &amp; health services).</p> <p><u>Ageing Well</u></p> <p>A priority in the Older People’s Commissioner for Wales’ 2019-2022 Strategy. The aim is for everyone in Wales to have the opportunity to age well “adding life to years, not just years to life” through making Wales a nation of age-friendly communities.</p>

Dublin Declaration

A public statement of intent to work with other organisations, share experiences, and promote equal rights and opportunities for older people.

Flintshire 50+ Action Group

A diverse group of “older” people from across Flintshire who come together to work towards ensuring that the concerns and hopes of those aged 50 and over are not overlooked when decisions affecting them are considered.

Flintshire Local Voluntary Council (FLVC)

FLVC is the umbrella and support organisation for over 1200 voluntary and community groups in Flintshire.

Global Network of Age Friendly Communities

The WHO Global Network for Age-friendly Cities and Communities was established in 2010 to connect cities, communities and organisations worldwide with the common vision of making their community a great place to grow old in. The mission of the Network is to stimulate and enable cities and communities around the world to become increasingly age-friendly.

NEWCIS

NEWCIS is one of the largest providers of carer services in Wales – delivering information, one to one support, training and counselling to carers who provide unpaid support to family or friends living in North East Wales.

Older People’s Commissioner for Wales

The Older People’s Commissioner for Wales protects and promotes the rights of older people throughout Wales, scrutinising and influencing a wide range of policy and practice to improve their lives. The Commissioner’s role is underpinned by a set of unique legal powers to support her in reviewing the work of public bodies and holding them to account when necessary.

Volunteering Matters

A national charity that aims to bring people together to overcome some of society’s most complex issues through the power of volunteering

World Health Organisation (WHO)

WHO is the United Nations agency that connects nations, partners and people to promote health, keep the world safe and serve vulnerable people, so that everyone, everywhere can attain the highest level of health and wellbeing.

Mae'r dudalen hon yn wag yn bwrpasol



# Eitem ar gyfer y Rhaglen 14



<b>CABINET</b>	
<b>Date of Meeting</b>	Thursday, 23 <sup>rd</sup> February 2023
<b>Report Subject</b>	Report back from the Call In of Decision No.4056 - Waste Strategy Review
<b>Cabinet Member</b>	Cabinet Member for Streetscene & Transportation
<b>Report Author</b>	Democratic Services Manager
<b>Type of Report</b>	Strategic

## **EXECUTIVE SUMMARY**

A decision of the Cabinet - Record No 4056 *Waste Strategy Review* was called in.

The call-in meeting of the Environment & Economy Overview & Scrutiny Committee was held on 1<sup>st</sup> February 2023 at 10am.

Having considered the decision, the committee chose Option 3: to refer it back to the decision-making person or body (i.e. Cabinet) for reconsideration.

## **RECOMMENDATIONS**

1	That the cabinet notes the decision of the Environment & Economy Overview & Scrutiny Committee call-in meeting with regard to Record No 4056 Waste Strategy Review.
2	The Cabinet is invited to confirm or amend its previous decision, having regard to the decision of the Environment & Economy Overview & Scrutiny Committee.

## REPORT DETAILS

1.00	EXPLAINING THE CALL IN
1.01	<p>At the meeting of the Cabinet which was held on 17<sup>th</sup> January 2023, the <a href="#"><u>Waste Strategy Review</u></a> report was considered.</p> <p>The recommendations of that report, which were approved by Cabinet were as follows:</p> <ul style="list-style-type: none"><li>(a) That Cabinet notes the Council’s current recycling performance against statutory targets along with the associated risks.</li><li>(b) That Cabinet considers the options presented for alternative waste collection delivery models in order to achieve the statutory recycling targets set by Welsh Government and supports the proposal to pilot a reduction in collection frequencies in one area of the county.</li><li>(c) That Cabinet approves the proposal to increase the garden waste subscription fee to recover increasing operational costs.</li></ul>
1.02	<p>The decision of the Cabinet, which was published as Record No 4056 is as follows:</p> <p><i>As detailed in the recommendations.</i></p>
1.03	<p>That decision was called in by Councillors Bernie Attridge, Helen Brown, David Richardson, Carol Ellis, Richard Jones, and Glyn Banks on the following grounds:</p> <ul style="list-style-type: none"><li>1. <i>We consider the decision as foolhardy given that the cost of the pilot was unknown.</i></li><li>2. <i>The data that could be provided from the pilot has the potential to lack integrity.</i></li><li>3. <i>The present collection frequency has worked in the past, why change it?</i></li></ul>
1.04	<p>The call in was heard by the Environment &amp; Economy Overview &amp; Scrutiny Committee at the 10am meeting on Wednesday 1<sup>st</sup> February 2023.</p> <p>The decision of the Environment &amp; Economy Overview &amp; Scrutiny Committee was option 3, referral back to Cabinet.</p> <p>The Cabinet is therefore invited to reconsider this issue at its meeting on 23<sup>rd</sup> February 2023 in the light of the call-in.</p> <p>To assist Cabinet in its reconsideration of the previous decision, a <b><i>draft</i></b> copy of the minutes is included at Appendix 2.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	As identified in the previous report to the Cabinet on this issue.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	As identified in the previous report to the Cabinet on this issue.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	As identified in the previous report to the Cabinet on this issue.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<p>Appendix 1 – Report of the Chief Officer (Streetscene &amp; Transportation) on <i>Waste Strategy Review</i> considered at Cabinet on 17<sup>th</sup> January.</p> <p>Appendix 2 – <b><i>Draft</i></b> minutes: Call In, Environment &amp; Economy Overview &amp; Scrutiny Committee.</p>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>Report of the Chief Officer (Streetscene &amp; Transportation) on <a href="#">Waste Strategy Review</a> considered at Cabinet on 17<sup>th</sup> January.</p> <p><b>Contact Officer:</b> Steven Goodrum, Democratic Services Manager  <b>Telephone:</b> 01352 702320  <b>E-mail:</b> <a href="mailto:Steven.Goodrum@flintshire.gov.uk">Steven.Goodrum@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	Call in: under section 21 (3) of the Local Government Act 2000, an Overview & Scrutiny committee can review a decision which has been made but not implemented. This is known as a 'call in'.

Mae'r dudalen hon yn wag yn bwrpasol

## CABINET

<b>Date of Meeting</b>	Tuesday, 17 <sup>th</sup> January, 2023
<b>Report Subject</b>	Waste Strategy Review
<b>Cabinet Member</b>	Deputy Leader of the Council and Cabinet Member for Streetscene and Regional Transport Strategy
<b>Report Author</b>	Chief Officer (Streetscene and Transportation)
<b>Type of Report</b>	Strategic

### **EXECUTIVE SUMMARY**

Ordinarily, the waste strategy would be reviewed every three years. Over the last five years, we have reviewed our waste strategy three times with the most recent review being the 'Target 70' report in July 2021. These reviews have allowed us to implement major service changes, which have contributed to improving the way we deliver our waste and recycling services.

The reviews have always ensured that the Council aligns and operates to Welsh Government policy and strategy, and as an authority, we currently follow the collections blueprint as set out in the Municipal Waste Sector Plan. In its current waste strategy 'Beyond Recycling', the Welsh Government set statutory targets for local authorities in Wales to reuse, recycle or compost a minimum of 64% of waste by 2022-23, and 70% of waste by 2024-25.

However, from being at a peak in performance in 2018-19 at 69.16%, our recycling performance levels in Flintshire have progressively decreased, year on year. The COVID-19 pandemic and associated restrictions have had a significant impact. The purpose of this review is to focus on achieving the statutory recycling targets and avoiding financial penalties if we fail to achieve them.

Following two all-Member workshops in November 2022, this report outlines how we propose to minimise waste and maximise recycling in order to improve our recycling performance and achieve the statutory recycling targets.

### **RECOMMENDATIONS**

1	That Cabinet notes the Council's current recycling performance against statutory targets along with the associated risks.
2	That Cabinet considers the options presented for alternative waste collection delivery models in order to achieve the statutory recycling targets set by Welsh Government and supports the proposal to pilot a reduction in collection frequencies in one area of the county.
3	That Cabinet approves the proposal to increase the garden waste subscription fee to recover increasing operational costs.

**REPORT DETAILS**

1.00	REVIEW OF THE COUNCIL'S COLLECTION WASTE STRATEGY										
1.01	<p>In 2010, Welsh Government (WG) published its policy for dealing with municipal waste in Wales 'Towards Zero Waste' (TZW). The policy set out statutory recycling targets for all Councils in Wales to meet.</p> <p>In June 2010, the Council adopted its own Municipal Waste Strategy. The strategy contained a number of key actions, which were required to meet the challenging targets set out in TZW.</p> <p>In 2011, WG published its Municipal Sector Plan, a partnering document to TZW, which provided guidance to Welsh Councils in the form of a Collections Blueprint, which outlines WG's recommended service profile for the collection of waste from households. The Blueprint provides a system that, if adopted across the whole of Wales by all local authorities, would result in high rates of high quality recycling, significant cost savings and improved sustainable development outcomes. The Blueprint aims to help local authorities achieve the recycling targets set in the Waste (Wales) Measure 2010 and ensure that we provide the best overall service for the people of Wales and future generations.</p>										
1.02	<p>In 2021, WG published its strategy 'Beyond Recycling: Making the Circular Economy a Reality in Wales', which aims to create an economy where we value resources and materials by keeping them in use for as long as possible and avoid all waste. Central to this strategy is The Waste Hierarchy, which ranks waste prevention and waste management options according to what is best for the environment. It gives top priority to waste prevention and reduction in the first place, followed by re-use, then recycling and composting, then other recovery (e.g. energy from waste), and last of all disposal (i.e. landfill).</p> <p>The Waste (Wales) Measure 2010 sets out the progressive annual targets for Welsh local authorities in relation to recycling, preparation for re-use and composting and The Recycling, Preparation for Re-use and Composting Targets (Definitions) (Wales) Order 2011 and The Recycling, Preparation for Re-use and Composting Targets (Monitoring and Penalties) (Wales) Regulations 2011 set out the obligations for local authorities in Wales to comply with the requirements.</p> <p>The targets set in the Waste (Wales) Measure 2010 are minimum recovery (i.e. recycling, preparation for re-use and composting) targets. Which are detailed in the table below: -</p> <table border="1" data-bbox="268 1639 1407 1720"> <thead> <tr> <th></th> <th>2012-2013</th> <th>2015-2016</th> <th>2019-2020</th> <th>2024-2025</th> </tr> </thead> <tbody> <tr> <td>Recovery Target %</td> <td>At least 52%</td> <td>At least 58%</td> <td>At least 64%</td> <td>At least 70%</td> </tr> </tbody> </table>		2012-2013	2015-2016	2019-2020	2024-2025	Recovery Target %	At least 52%	At least 58%	At least 64%	At least 70%
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Recovery Target %	At least 52%	At least 58%	At least 64%	At least 70%							
1.03	<p>In response to these challenging targets, over the last five years alone, we have reviewed our waste strategy three times with the most recent review being the 'Target 70' report in July 2021. These reviews have allowed us to implement major service changes, which have contributed to improving the way we deliver our waste and recycling services. The reviews have always ensured that the Council aligns and operates to Welsh Government policy and strategy. As an authority, we currently follow the Collections Blueprint as set out in the Municipal Waste Sector Plan for the delivery of domestic waste and recycling collections.</p>										

1.04	<p>However, from being at a peak in performance in 2018-19 at 69.16%, our recycling performance levels in Flintshire have progressively decreased, year on year. The COVID-19 pandemic and associated restrictions have had a significant impact.</p> <p>The table below details our actual performance levels over the last 4 years against the statutory recycling targets set by Welsh Government: -</p> <table border="1" data-bbox="264 338 1449 528"> <thead> <tr> <th>Year</th> <th>Target</th> <th>Actual Performance</th> </tr> </thead> <tbody> <tr> <td>2018-19</td> <td>58%</td> <td>69.16%</td> </tr> <tr> <td>2019-20</td> <td>64%</td> <td>65.85%</td> </tr> <tr> <td>2020-21</td> <td>64%</td> <td>63.98%</td> </tr> <tr> <td>2021-22</td> <td>64%</td> <td>60.08%</td> </tr> </tbody> </table>	Year	Target	Actual Performance	2018-19	58%	69.16%	2019-20	64%	65.85%	2020-21	64%	63.98%	2021-22	64%	60.08%													
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1.05	<p>Under the legislation, Welsh Government has the powers to levy fines, which are known as infraction fines. The amount of financial penalty to which a local authority is liable under section 3(7) of the Measure is £200 per tonne by which a local authority falls short of the target amount.</p> <p>Where a local authority is liable to a penalty under section 3(7) of the Measure or under the Regulations, the Welsh Ministers may either waive the penalty, or assess the amount due by way of penalty and notify the local authority accordingly.</p>																												
1.06	<p>In 2020-21, in Flintshire we missed the recycling target by just 17 tonnes, which, had Welsh Government chosen to use their powers, could have resulted in infraction fines of £3,400.</p> <p>In 2021-22, the recycling target has been missed by 3,314 tonnes, which could equate to a potential infraction fine of £662,888 if Welsh Government chose to levy a financial penalty.</p> <p>The table below outlines current overall waste arising, recycling performance and potential fines that could levied by Welsh Government to Flintshire for failing to achieve the statutory recycling targets: -</p> <table border="1" data-bbox="264 1373 1449 1697"> <thead> <tr> <th rowspan="2">Year</th> <th rowspan="2">Total MSW (t)</th> <th colspan="2">Total Recycling, Reuse, Composting Actual Performance</th> <th colspan="2">Target</th> <th rowspan="2">Difference to Target (t)</th> <th rowspan="2">Penalty liable (£)</th> </tr> <tr> <th>(%)</th> <th>(t)</th> <th>(%)</th> <th>(t)</th> </tr> </thead> <tbody> <tr> <td>2020/21</td> <td>81,333</td> <td><b>63.98</b></td> <td>52,036</td> <td><b>64</b></td> <td>52,053</td> <td>-17</td> <td><b>3,400</b></td> </tr> <tr> <td>2021/22</td> <td>84,496</td> <td><b>60.08</b></td> <td>50,763</td> <td><b>64</b></td> <td>54,077</td> <td>-3,314</td> <td><b>662,800</b></td> </tr> </tbody> </table> <p>For the first two quarters of 2022/23 reported municipal waste arisings have showed an improvement in our recycling performance to 63.17%. If this performance was to be sustained to the end of the reporting year then the estimated shortfall in tonnage is estimated be circa 622 tonnes, which could result in a potential infraction fine of £124,428. However, since September 2022 we have seen increases in the amount of residual waste collected following a sustained decrease in the months April-August. This, along with the seasonal decreases in tonnage of recyclable waste, such as garden waste, means that the performance of 63.17% is unlikely to be sustained to the end of the reporting year thus decreasing recycling performance against the statutory target and increasing potential fines.</p> <p style="text-align: center;"><b>Tudalen 327</b></p>	Year	Total MSW (t)	Total Recycling, Reuse, Composting Actual Performance		Target		Difference to Target (t)	Penalty liable (£)	(%)	(t)	(%)	(t)	2020/21	81,333	<b>63.98</b>	52,036	<b>64</b>	52,053	-17	<b>3,400</b>	2021/22	84,496	<b>60.08</b>	50,763	<b>64</b>	54,077	-3,314	<b>662,800</b>
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1.07	<p>Since the implementation of our managed weekly collection we have seen a year on year decrease in the amount of residual waste collected at the kerbside. This had been progressive and demonstrated our continual improvement in reducing residual waste sent for final disposal.</p> <p>However, in the year 2020/21 we had observed that this trend has been reversed and we saw an unprecedented increase in residual waste tonnages of over 9% due to the pandemic and people’s lifestyle changes. This change in trend meant that the level of residual waste collected had returned to that last seen in 2016/17.</p> <p>Since 2021/22, we have begun to see decreasing residual waste tonnages year on year. The following table outlines the total residual waste tonnages collected: -</p> <table border="1" data-bbox="264 573 1444 954"> <thead> <tr> <th>Residual Waste Collected (Year)</th> <th>Residual Waste Collected (Tonnage)</th> <th>Percentage Decrease/Increase from Previous year</th> </tr> </thead> <tbody> <tr> <td>2016/17</td> <td>33,733.74</td> <td>-4.45%</td> </tr> <tr> <td>2017/18</td> <td>32,846.37</td> <td>-2.63%</td> </tr> <tr> <td>2018/19</td> <td>31,300.74</td> <td>-4.71%</td> </tr> <tr> <td>2019/20</td> <td>30,843.96</td> <td>-1.46%</td> </tr> <tr> <td>2020/21</td> <td>33,728.65</td> <td>+9.35%</td> </tr> <tr> <td>2021/22</td> <td>32,963.27</td> <td>-2.27%</td> </tr> <tr> <td>2022/23</td> <td>31,010.78*</td> <td>-5.92%</td> </tr> </tbody> </table> <p><i>*estimated tonnage for Dec 2022 to March 2023, which could increase if current trend continues.</i></p>	Residual Waste Collected (Year)	Residual Waste Collected (Tonnage)	Percentage Decrease/Increase from Previous year	2016/17	33,733.74	-4.45%	2017/18	32,846.37	-2.63%	2018/19	31,300.74	-4.71%	2019/20	30,843.96	-1.46%	2020/21	33,728.65	+9.35%	2021/22	32,963.27	-2.27%	2022/23	31,010.78*	-5.92%
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1.08	<p>For the year 2021/22, whilst Flintshire did not meet the statutory target, three Welsh local authorities did exceed the minimum target of 70% for 2024/25 and twelve authorities surpassed the target of 64%.</p> <p>As a result, it has been key for us to understand why our performance has progressively decreased and consequently, a recent compositional analysis has been undertaken in partnership with Welsh Government. This involves a physical waste compositional analysis where samples are collected from kerbside collections, including residual waste, food waste and recycling.</p>																								
1.09	<p>Whilst work is still underway to verify the analysis, the initial results have shown that up to 50% of what is placed in the residual waste (black) bins by residents in Flintshire is recyclable material. Furthermore, 27% of the black bin contents was found to be food waste, a significant amount of which was considered to be in an edible condition.</p> <p>With a separate weekly kerbside collection service available for food waste and weekly collection for recycling, the current situation is not sustainable and remains a significant risk to the local authority.</p>																								
1.10	<p>With the Welsh Government target of 70% approaching in 2024-25, further consideration has to be given as to how this target will be achieved.</p> <p>In response, two all-Members workshops were held on 9 November 2022 (10am and 5pm) in order to explore the options. The agenda for those workshops is detailed in <b>Appendix 1</b>.</p>																								



1.11	<p>The workshops were delivered in two parts: first, a presentation was provided by officers to give an overview of the current recycling and waste collection operations, the legislative background, current policy and procedures, statutory targets and the council's recycling performance.</p> <p>The second part was allocated for members to consider a number of questions and provide their comments, suggestions and ideas as to how as a local authority we could achieve the statutory targets. The questions asked of members included:</p> <ul style="list-style-type: none"> <li>• How are we going to achieve the 70% recycling target by 2024-2025?</li> <li>• How are we going to reduce the amount of residual waste produced by residents?</li> <li>• How are we going to ensure that we do not receive substantial infraction fines?</li> <li>• What more can we do?</li> </ul> <p>A copy of the slide deck presented to members at the workshop is detailed in <b>Appendix 2.</b></p>
1.12	<p>The feedback received by members was comprehensive and some of the general themes included:</p> <ul style="list-style-type: none"> <li>• Improving education and engagement to change behaviours;</li> <li>• Members sharing information in newsletters to residents</li> <li>• Improving engagement with schools to promote recycling to children</li> <li>• Learning from those local authorities that are already achieving the targets</li> <li>• Appealing to Welsh Government for support on achieving the targets</li> <li>• Improving availability of replacement bags and boxes for recycling</li> <li>• Promoting repair and reuse as well as schemes like reusable nappies to reduce waste</li> <li>• Using information from the crews and enforcement teams to focus campaigns in areas where there is low participation in recycling</li> <li>• Taking robust enforcement action if residents do not recycle or comply</li> <li>• Expanding the use of RFID technology to monitor participation and performance</li> <li>• Introducing a chargeable trade waste collection service to improve recycling yields</li> <li>• Changing waste collection frequencies or reducing the capacity of the black bin, which would require financial investment.</li> </ul>
1.13	<p>The individual comments, suggestions and questions gathered from elected members during the workshops are being collated into an action plan and will be used to produce a set of frequently asked questions (FAQs) to assist with information and understanding. Where possible, any changes will be considered in line with current policy and within available resources.</p>
1.14	<p>Given that it has been demonstrated that nearly 50% of the contents of the residual waste bin is filled with materials that could have been recycled and that the current target of 64% is not being achieved, the risk of not achieving the 70% target by 2024-25 remains significant and has been documented as a red risk on the portfolio's risk register.</p>

1.15	<p>The Welsh Government's priorities for collection are stipulated as the provision of kerbside collection services that reduce residual waste arisings, collect high levels of clean recyclables in ways that can be recycled 'closed loop' and locally (preferably in Wales or elsewhere in the UK) and at lowest overall financial cost, and in ways that help elicit the desired behavioural changes amongst householders, whilst at the same time providing convenience. A key measure introduced by a number of other local authorities across Wales is to limit how much waste households can throw away. By restricting the capacity of the residual waste bin, people are encouraged to make more use of the recycling kerbside collection service.</p>
1.16	<p>As a result of the deteriorating recycling performance levels and increasing residual waste tonnages, consideration now needs to be given to changing the provision of kerbside collections with a view to reducing residual waste arisings, which can be achieved by either changing the capacity of the residual waste bin or by changing the frequency of waste collections.</p> <p>In order to maximise financial efficiency and sustainability outcomes, as well as increase recycling performance, a comparative assessment of service delivery options has been undertaken of local authorities across Wales, the findings for which are detailed as follows: -</p> <ul style="list-style-type: none"> <li>• Four weekly collections with a 240 litre bin (60 litres/week)</li> <li>• Three weekly collections with 180 litre bin (60 litres/week)</li> <li>• Two weekly collections with a 140 litre bin (70 litres/week)</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>• Four weekly collections with 4 waste sacks (60 litres/week)</li> <li>• Three weekly collections with 3 waste sacks (60 litres/week)</li> <li>• Two weekly collections with 2 waste sacks (60 litres/week)</li> </ul>
1.17	<p>A comparison of a number of waste collection models across Wales has taken place previously and it was clear that restricting residual waste improves recycling levels, which in turn has a significant impact on recycling performance.</p> <p>Looking across the different types of models, the average improvement was found to be as follows: -</p> <ul style="list-style-type: none"> <li>➤ Overall reduction in household residual waste (incl. HWRCs) of 18%</li> <li>➤ Increase in kerbside dry recycling of 13%</li> <li>➤ Increase in food waste capture of 21%</li> </ul> <p>However, it has been determined that a 60 litres/week residual waste restriction has the highest impact on reducing residual waste and improving recycling performance. Reducing residual waste capacity to 60 litres/week has seen the following average improvements: -</p> <ul style="list-style-type: none"> <li>➤ Overall reduction in household residual waste (incl. HRC) of 30%</li> <li>➤ Increase in kerbside dry recycling of 17%</li> <li>➤ Increase in food waste capture of 28%</li> </ul> <p>To demonstrate what this would mean in relation to the waste arising seen in Flintshire for the two-year period during which we have not achieved target, <b>Appendix 3</b> provides an indication of the potential improvement in recycling performance using the previously observed improvements.</p>

1.18	<p>As well as ensuring that we meet the statutory targets set by Welsh Government, a reduction in waste arising and increased recycling performance would bring financial savings, as the cost of disposing residual waste is significantly higher than that of recyclable waste, which can bring an income for recyclable materials.</p> <p>For the two options highlighted in 1.11 <b>Appendix 4</b> details the potential savings associated with recycling residual waste and increasing recycling.</p>																				
1.19	<p><b><u>Considerations</u></b></p> <p>If the collection frequency changed from the current fortnightly model, this would have an impact on required resources to deliver the collection services.</p> <p>The following table outlines the estimated operational costs for the provision of the current model and those for a three or four-weekly collection cycle: -</p> <table border="1" data-bbox="268 689 1393 1205"> <thead> <tr> <th></th> <th>2 Weekly Collections</th> <th>3 Weekly Collections</th> <th>4 Weekly Collections</th> </tr> </thead> <tbody> <tr> <td>Properties per Week</td> <td>36,210</td> <td>27,176</td> <td>18,124</td> </tr> <tr> <td>Vehicles per Day</td> <td>5</td> <td>4</td> <td>3</td> </tr> <tr> <td>Operatives per Week</td> <td>22</td> <td>16</td> <td>13</td> </tr> <tr> <td>Labour Cost per Year</td> <td>£770,000</td> <td>£560,000</td> <td>£455,000</td> </tr> </tbody> </table> <p>Operational savings would be realised through a reduction in the number of operatives required per week on residual waste rounds. These operatives would be allocated to alternative areas of the Service Delivery team to reduce the reliance on agency staff. The reductions above could potentially save up to £210,000 (three-weekly collections) or £315,000 (four-weekly collections) per year.</p>		2 Weekly Collections	3 Weekly Collections	4 Weekly Collections	Properties per Week	36,210	27,176	18,124	Vehicles per Day	5	4	3	Operatives per Week	22	16	13	Labour Cost per Year	£770,000	£560,000	£455,000
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1.20	<p>A change in collection frequency may require consideration of changes to the container size or container types, which would involve further considerations, including funding, health and safety impact on crews, compatibility with vehicles and storage for residents.</p> <p>Capital funding would be required to procure alternative sized residual waste containers should a change in container size be required. This is estimated to be in the region of £1million. Consideration would need to be given to what happens to the old bins/containers and whether these should be collected and provision made for their resale or disposal. Changing to a sack collection could present health and safety risks to the workforce in terms of manual handling, sharps/needle stick injuries, slips, trips and falls, personal injury and hygiene. There would be a need for our residents to control and contain the waste securely and safely on their own properties, which if contained within sacks which could attract vermin and produce odour. This option would also present the need to collect all existing containers and make provision for their resale or disposal.</p>																				

1.21	<p>At the Environment &amp; Economy Overview &amp; Scrutiny Committee meeting on Tuesday, 10<sup>th</sup> January 2023, members discussed the various options for alternative collection frequencies and proposed running a pilot for a reduced frequency collection service in one area of the county.</p> <p>It is therefore proposed that Cabinet considers the proposal to pilot a reduction in collection frequencies in one area of the county.</p>
1.22	<p>Regardless of any changes to collection frequencies or container sizes, side waste enforcement would need to continue to ensure that only residual waste is presented for collection in the residual waste (black) bin and that residents are fully participating in recycling.</p> <p>As approved by Cabinet in the 2021 'Target 70' report, an option was included to introduce enhanced enforcement to address the issue of those residents who habitually do not present any, or some of the recycling, expected on the weekly collection. This would require the contents of the black bin to be inspected and, if recyclable materials were to be found in the residual waste bin, such as food waste, then the enforcement process would begin.</p>
1.23	<p>In addition to the above options, it is proposed that an increase in the charge for garden waste collections is considered as part of the review. One of the main reasons for including this as an option is due to the fact that portfolio currently has a budget pressure of £50k due to increasing operational costs, which come about as a result of not increasing the garden waste subscription fee since 2018-19.</p> <p>The current fees are detailed below: -</p> <ul style="list-style-type: none"> <li>• £32.00 for ALL online payments</li> <li>• £32.00 for payments made on or before 28th February</li> <li>• £35.00 for payments made after 1st March 2022*</li> </ul> <p><i>*This fee applies to residents paying over the phone and using payment kiosks at Flintshire Connects</i></p> <p>On average, the Council receives approximately 32,000 garden waste subscriptions per year. An option for consideration would be to increase the rate from £32/subscription (online/early payments) to £33/subscription, which could deliver an additional income of £32k/year.</p> <p>At the Environment &amp; Economy Overview &amp; Scrutiny Committee on 10<sup>th</sup> January 2023, members supported the proposal to increase the subscription rate by £1.00 as outlined above.</p>
1.24	<p>In addition to the above options, it is intended that work would continue to raise awareness and educate residents about what can and can't be recycled. Although a significant amount of work has taken place over the last three years to improve the information available on the Flintshire website and carry out education campaigns, such as food waste / recycling wrapping paper at Christmas time, more targeted campaigns will be explored around the use of RFID technology to monitor participation levels or where take-up of the kerbside recycling collection service is low, subject to available resources and funding. Members at the Environment &amp; Economy Overview &amp; Scrutiny Committee on 10<sup>th</sup> January 2023 requested that a leaflet is issued with the Council tax notices to all properties to highlight the financial and environmental risks associated with not recycling.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	There would be an impact on resources and the operational workforce if the policy was changed, such as reduced frequency residual waste collections.
2.02	Capital funding would be required to procure alternative sized residual waste containers should collection frequencies or container change.
2.03	Implementing a significant service change on this scale would require additional service project management support.
2.04	Additional revenue funding would be required for targeted publicity campaigns, such as the leaflet suggested by members for distribution with the Council tax bill.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>	
3.01	<b>Ways of Working (Sustainable Development) Principles Impact</b>	
	Long-term	The proposals will drive improvements to recycling performance and achieving a Circular Economy.
	Prevention	The proposals will help prevent the increasing amounts of waste generated and therefore reduce the Council carbon footprint.
	Integration	No impact
	Collaboration	The proposal requires further work with Welsh Government, and partners, to find sustainable solutions for none recyclable materials.
	Involvement	Improved engagement with Flintshire residents to ensure they understand their responsibilities and ensure waste minimisation, reuse and recycling before disposal
	<b>Well-being Goals Impact</b>	
	Prosperous Wales	Positive – improving waste minimisation, reuse and recycling of recycling materials resulting in world leaders in recycling performance
	Resilient Wales	Positive – Less demand for raw materials, promoting circular economy
	Healthier Wales	Positive – reducing vehicle movements and emissions and allowing for the responsible management of controlled waste
	More equal Wales	No impact
	Cohesive Wales	No impact
	Vibrant Wales	Positive – improving waste minimisation, reuse and recycling of recycling materials and working towards carbon reduction
	Globally responsible Wales	Reducing the reliance on the extraction of raw materials and destruction of natural habitats and ecosystems by the reprocessing of recyclable materials.

3.02	We are highly unlikely to achieve the statutory recycling targets without making significant changes to improving our recycling performance and reducing the amount of waste presented in the residual waste bin.
3.03	The risk of not achieving the statutory recycling targets could result in a significant financial penalty for the Council (£200 for every tonne not recycled) if Welsh Government were to choose to levy the infraction fines.
3.04	Continuing to accept the volume of residual waste at the current rates has resulted in increased expenditure on disposal costs (£103/tonne). Diverting this waste to recycling would reduce the gate fee on some recycling streams (e.g. food) and would create an income for others (e.g. paper/glass/metal/plastic).
3.05	The lack of appetite to improve recycling performance and implement changes for reducing waste could result in the loss of grant funding and confidence from Welsh Government to invest in Flintshire. Limiting the amount of residual waste that is taken at each collection increases the amount of material that can be sorted for recycling, which helps to boost recycling yields and reduce residual waste generation.
3.06	Changing to a sack collection would present health and safety risks to the workforce in terms of manual handling, sharps/needle stick injuries, slips, trips and falls, personal injury and hygiene.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	Deputy Leader of the Council and Cabinet Member for Streetscene and Regional Transport Strategy
4.02	Elected Members - Two workshops held on 9 November 2022
4.03	Environment and Economy Overview and Scrutiny Committee, 10 January 2023

<b>5.00</b>	<b>APPENDICES</b>
5.01	<b>Appendix 1</b> Workshop Agenda.
5.02	<b>Appendix 2</b> Workshop Presentation.
5.03	<b>Appendix 3</b> Potential improvement in recycling performance .
5.04	<b>Appendix 4</b> Potential improvement in financial savings on disposal costs.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<a href="#">Stats Wales - Recycling Information</a> <a href="#">WasteDataFlow - Waste Tonnages</a> <a href="#">My Recycle Wales - Waste data and end destinations</a> <a href="#">Towards Zero Waste</a> <a href="#">Municipal Waste Sector Plan - Collections blueprint</a> <a href="#">Beyond Recycling Strategy</a>

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Ruth Tulley, Regulatory Services Manager  <b>Telephone:</b> 01352 704796  <b>E-mail:</b> <a href="mailto:ruth.tulley@flintshire.gov.uk">ruth.tulley@flintshire.gov.uk</a></p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<p><b>Residual Waste</b> = non-recyclable waste placed in the black bin, which is not sent for recycling thus has no future benefits.</p> <p><b>Statutory Recycling Targets</b> = Targets set in legislation, which all local authorities must reach for waste reused, composted or recycled.</p> <p><b>WG</b> = Welsh Government  <b>TZW</b> = Towards Zero Waste (Policy document)</p>

## Streetscene and Transportation Portfolio

### Member's Seminar – Waste Strategy Review, Target 70 (2022)

Welcome – Chair of Scrutiny / Cabinet Member

- Introduction and Purpose
- Where are we now
  - Current collection policy
    - What we collect
    - How we collect it (frequency/containers)
    - What happens to the recycling and waste
  - Current performance
    - National Strategy and Policy (now and future)
    - Targets and statistics
    - Impact of missing targets (financial)
    - Compositional analysis (where we can improve)
    - Welsh local authority approach
  - Key Funding Investment
    - Greenfield development
    - RFID
    - Electric recycling vehicles ~(including charging points)
    - AHP collection resources
    - Future funding application requirements
- Considerations
  - How are we going to achieve the 70% recycling target by 2024-2025?
  - How are we going to reduce the amount of residual waste produced by residents?
  - How are we going to ensure that we do not receive substantial infraction fines?
  - What more can we do?
- Breakout Session / feedback
- Close out and thank you



# Waste Strategy Workshop Target 70%

## 9 November 2022



Cadwch **Sir y Fflint** yn Daclus  
Keep **Flintshire** Tidy

# Agenda

Tudalen 338

- Introduction and purpose of workshop
- Context and background
- Where are we now?
  - Current collection policy
  - Current performance
  - Key funding investment
- How are we going to achieve the 70% recycling target by 2024-2025
- Feedback session and questions
- Next steps
- Close out and thank you

# Context / Background

- The council's waste and recycling services are highly valued by local members and the wider community.
- In the last 12 years we have moved from a backdoor collection service to a modern, controlled kerbside collection service with the emphasis on recycling.
- Largely driven by Welsh Government (WG) Statutory Recycling Targets and the possibility of infraction fines if we do not achieve them i.e. 70% by 2024/2025
- The percentage of our total waste arisings recycled, composted or re-used increased to 69.16% in 2018/2019
- However, since the pandemic in 2020, we are seeing a year on year decrease and we are now at 60.08% irrespective of the improvements made to our services
- Over the last five years, we have reviewed our waste strategy three times, with the most recent review being the 'Target 70' campaign in July 2021.
- These reviews have allowed us to implement changes, which have attributed to improving the way we deliver our household recycling centre services.
- We are also facing additional budget risks e.g. Sustainable Waste Management Grant, along with potential additional responsibilities

# How We Collect Waste

Waste Stream (Kerbside Collections)	Frequency	Containers
Residual	2-weekly	Black wheeled bin (180L)
Food Waste	Weekly	Biodegradable bags / food waste caddies
Dry recyclables (glass, plastic, cans, paper, card)	Weekly	Reusable Sacks / blue box
Garden Waste	2-weekly*	Brown wheeled bin (140L)
Batteries	Weekly	Sealable Bags
Absorbent Hygiene Products (AHP)	Weekly	Orange box / bags
Clinical / medical	Weekly	Specialist containers/bags

\* From 1<sup>st</sup> March until mid-December

# Enforcement Arrangements

Enforcement side waste was introduced March 2018

Side waste is classified as non recyclable waste not contained in the black bin

Three stage process:

1<sup>st</sup> Stage – Informal - Education and Awareness (letter & sticker on bin)

2<sup>nd</sup> Stage – Formal - Section 46 Notice

3<sup>rd</sup> Stage – Formal - Fixed Penalty Notice (FPN)



## Tudalen 341 Bulky Waste Collections / Deconstruction

Bulky waste is a chargeable service offering a collection for items that are too large to dispose of via the kerbside collection service or to take to a HRC

Local not-for-profit charity **Flintshire Refurbs** collect furniture and electrical items on behalf of the Council

Items can be refurbished and offered for re-sale in Refurbs outlet in Flint

If items are not suitable for refurbishment, they are deconstructed into component parts (wood/metals) and recycled.

# Kerbside Dry Recycling

Plastic, metal cans, paper/cardboard, food and domestic batteries are all collected on one vehicle on a weekly basis

- 3,400 tonnes of plastics
- 700t of steel and aluminium cans
- 4,900t of paper and cardboard
- 5,250t of glass
- Household batteries

Tudalen 342



# What Happens to Food Waste?

Food waste is sent to an anaerobic digestion plant in Rhualt Partnership with Welsh Government, Denbighshire and Conwy  
4,700 tonnes of food is collected annually



Typical food types accepted are:

- ✓ Vegetables and peelings
- ✓ Bread, rice, pasta
- ✓ Meats, fish, bones
- ✓ Tea bags, coffee grounds
- ✓ Egg shells, dairy products

- The process produces:
  - Biogas (electricity)
  - Organic fertiliser



# What Happens to Garden Waste?

Green waste from Flintshire households, HRCs and parks and gardens is taken to the Greenfield composting facility



- 17,000+ tonnes of material is processed via open windrow composting
- Produces 6,000+ tonnes of high nutrient soil conditioner
- PAS100 accredited
- Used as fertiliser on farmland and in horticulture





# What Happens to Residual Waste?

- 32,800+ tonnes of residual waste was collected last year (2021-2022)
- 24,000 tonnes via the black bin
- Annual budget of £3.2M to dispose of residual waste
- Parc Adfer Waste to Energy Plant on Deeside Industrial Park
- Five Authorities form the North Wales Regional Waste Treatment Partnership



Tudalen 345

- Electricity (30,000 properties)
- Bottom Ash (aggregate)
- Metal Recovery

# Polices, Legislation, Guidance and Changing Times

- Towards Zero Waste: Our Waste Strategy 2010
  - Municipal Waste Sector Plans, Collections Blueprint
- Recycling, Preparation for Re-use and Composting Targets (Monitoring and Penalties) (Wales) Regulations 2011
- Wales Waste Measure
  - Waste classification, Household/Municipal Waste
- Environment (Wales) Act 2016
- End Destinations
  - proximity principle , market stability, reporting regimes
- Wales Circular Economy – Beyond Recycling Strategy
  - Repair and reuse, carbon reduction, closed loop
- Waste Compositional Analysis
- Grant funding applications for new initiatives

Tudalen 346



# Collections Blueprint

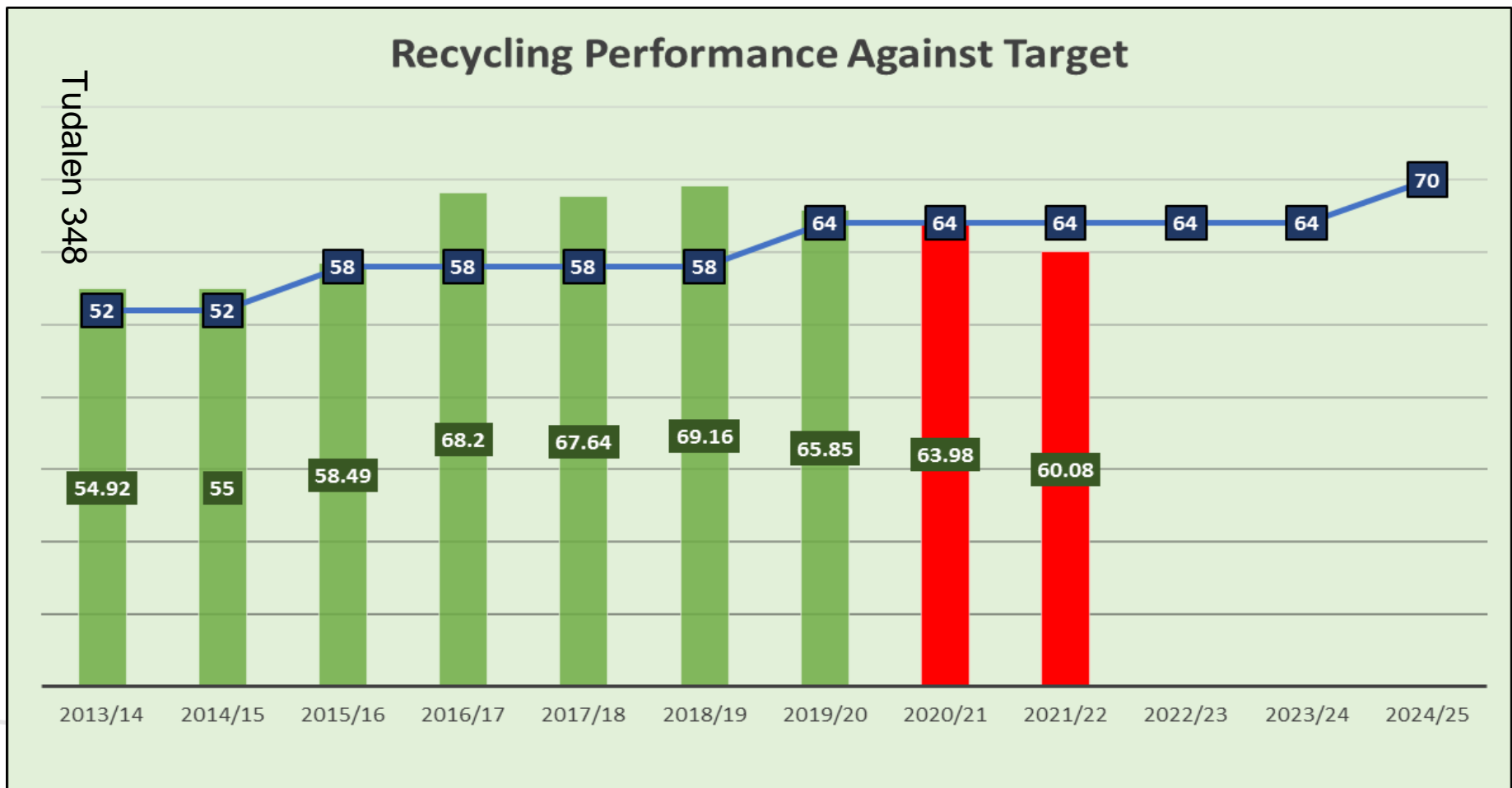
The collections blueprint is Welsh Government's preferred service configuration for the waste collected from households in order to comply with the policies, outcomes and targets laid down in Towards Zero Waste.

- ✓ Reduced residual waste container capacity
- ✓ Reduced residual waste collection frequency
- ✓ Do not collect side waste for residual waste
- ✓ Provide a weekly collection of dry recyclables, separated at the kerbside (kerbside sort system)
- ✓ Use modern lightweight, multi-compartment vehicles
- ✓ Promote home composting/ treatment for garden waste
- ✓ Apply charging for a garden waste collection
- ✓ Food waste collected separately once a week (not co-mingled with green waste)
- ✓ Run a bulky waste collection service focusing on reuse and recycling

Tudalen 347

# Recycling Targets and Performance

Municipal Waste Collected by Local Authorities	2012-13	2012-13	2015-16	2019-20	2024-25
Target	40%	52%	58%	64%	70%



# Financial Impact of Not Recycling

If we do not achieve the set target, we could face fines of £200 per tonne of waste not recycled.

Year	Total MSW (t)	Total Recycling, Reuse, Composting Actual Performance		Target		Difference to Target (t)	Penalty liable (£)
		(%)	(t)	(%)	(t)		
Tudalen 2020/21	81,333	<b>63.98</b>	52,036	<b>64</b>	52,053	-17	<b>3,400</b>
349 2021/22	84,496	<b>60.08</b>	50,763	<b>64</b>	54,077	-3,314	<b>662,800</b>
	84,496	<b>60.08</b>	50,763	<b>70</b>	59,147	-8,384	<b>1,676,840</b>

- Cost of disposal of the 3,314t is in excess of **£330,000**
- Cost to the authority of not recycling to meet the statutory target is over **£1,000,000**
- When at target 70% the cost would be over **£2,500,000**

# Why are we not achieving the target?

- Residual waste increased by 3,000t during the pandemic
- Recycling did increase initially, but is now returning to pre-pandemic levels
- Up to 50% of the black bin contains recyclable materials
- Majority of the recyclable waste in the black bin is food waste
- AHP/nappy collections have inadvertently allowed for increased capacity in the black bin
- Side waste enforcement was suspended from March 2020 until September 2021

Tudalen 350

Authority	Average Reuse, Recycling & Composting Rate 2021/22	Residual Waste Collection Regime		Recycling Collection Regime	
Pembrokeshire County Council	73.24%	3 Sacks	3 weekly	Weekly	Blueprint
Bridgend CBC	72.58%	Sacks	Fortnightly	Weekly	Blueprint
Vale of Glamorgan Council	70.19%	2 Sacks	Fortnightly	Weekly	Co-mingled
Conwy CBC	70.17%	240l bin	Monthly	Weekly	Blueprint
Ceredigion County Council	69.62%	No defined limit	3 Weekly	Weekly	Co-mingled
Monmouthshire CC	69.53%	2 sacks	Fortnightly	Weekly	Blueprint
Wrexham CBC	67.89%	240l	Fortnightly	Weekly	Blueprint
Newport City Council	67.11%	120l	Fortnightly	Weekly	Co-mingled
Rhondda Cynon Taff CBC	67.23%	2 Sacks	Fortnightly	Weekly	Blueprint
Merthyr Tydfil CBC	66.82%	140l	Fortnightly	Weekly	Blueprint
Powys County Council	66.77%	180l	3 Weekly	Weekly	Blueprint
Neath Port Talbot CBC	66.01%	140l	Fortnightly	Weekly	Blueprint
City and County of Swansea	65.07%	No defined limit	3 Weekly	Fortnightly	Blueprint
Blaenau Gwent CBC	64.94%	No defined limit	3 Weekly	Weekly	Blueprint
Denbighshire County Council	64.82%	140l bin	Fortnightly*	Fortnightly	Co-mingled*
Gwynedd Council	64.17%	240l bin	3 Weekly	Weekly	Blueprint
Torfaen CBC	62.61%	140l bin	Fortnightly	Weekly	Blueprint
Isle of Anglesey CC	62.30%	240l bin	3 Weekly	Weekly	Blueprint
Carmarthenshire County Council	61.82%	3 sacks	Fortnightly	Fortnightly	Co-mingled
<b>Flintshire County Council</b>	<b>60.08%</b>	<b>180l bin</b>	<b>Fortnightly</b>	<b>Weekly</b>	<b>Blueprint</b>
Caerphilly CBC	59.68%	No defined limit	Fortnightly	Weekly	Co-mingled
Cardiff County Council	58.19%	3 sacks	Fortnightly	Weekly	Co-mingled

\* Denbighshire have approval to change to a monthly collection with a kerbside sort system for dry recycling

# Funding Investments

- Greenfield redevelopment (welfare/traffic management/composting site)
- RFID – garden waste sticker/permit replacement
- Electric recycling vehicles
- Electric vehicle charging points
- AHP/nappy collections (containers/vehicle/infrastructure)
- Future funding application requirements

Tudalen 352



How are we going to achieve the 70% recycling target by 2024-2025?

How are we going to reduce the amount of residual waste produced by residents?

How are we going to ensure that we do not receive substantial infraction fines?

What more can we do?

# Next Steps

- Collate all feedback from workshops
- Review the feedback
- Identify any operational and policy changes required
- Report to E&EOSC in January 2023 for scrutiny
- Present to Cabinet in January 2023 for consideration

Tudalen 354

# Thank You

Tudalen 355

### Appendix 3 - Potential Improvement in Recycling Performance

Performance based on 2020/21 tonnages

Actual Recycling Performance 2020/21	Total Waste Arising	Target		Total Recycling, Reuse, Composting actual performance	
	(t)	(%)	(t)	(%)	(t)
	81,333	64	52,053	63.98	52,036

Potential performance on 60l/week residual waste collection restriction	Total Waste Arising	Target		Total Recycling, Reuse, Composting Potential performance	
	(t)	(%)	(t)	(%)	(t)
	75,958	64	48,613	74	56,018
75,958	70	53,170	74	56,018	

Potential performance on average residual waste collection restriction	Total Waste Arising	Target		Total Recycling, Reuse, Composting Potential performance	
	(t)	(%)	(t)	(%)	(t)
	76,610	64	49,030	72	55,060
76,610	70	53,627	72	55,060	

Performance based on 2021/22 tonnages

Actual Recycling Performance 2021/22	Total Waste Arising	Target		Total Recycling, Reuse, Composting actual performance	
	(t)	(%)	(t)	(%)	(t)
	84,496	64	59,147	60.08	50,763

Potential performance on 60l/week residual waste collection restriction	Total Waste Arising	Target		Total Recycling, Reuse, Composting Potential performance	
	(t)	(%)	(t)	(%)	(t)
	79,319	64	51,212	69	54,495
79,319	70	56,013	69	54,495	

Potential performance on average residual waste collection restriction	Total Waste Arising	Target		Total Recycling, Reuse, Composting Potential performance	
	(t)	(%)	(t)	(%)	(t)
	80,019	64	49,030	67	53,598
80,019	70	53,627	67	53,598	

## Appendix 4 - Potential Improvement in Financial Savings on Disposal Costs

Expenditure based on 2020/21 tonnages

Potential saving on 60l/week residual waste collection restriction	2020/21 Actual Tonnage			Potential Tonnage		
	Residual Waste (t)	Food Waste (t)	Dry Recycling (t)	Residual Waste - 30% decrease	Dry Recycling - 17% increase	Food Waste - 28% increase
	31,190	5,079	15,057	21,833	17,616	6,501
	Tonnage Variation (t)			-9,357	2,560	1,422
	Saving (£)			-£ 963,775.64	-£ 127,980.93	£ 103,099.62
	Potential Saving @ 60l			-£ 988,656.95		

Potential saving on average residual waste collection restriction	2020/21 Actual Tonnage			Potential Tonnage		
	Residual Waste (t)	Food Waste (t)	Dry Recycling (t)	Residual Waste - 18% decrease	Dry Recycling - 13% increase	Food Waste - 21% increase
	31,190	5,079	15,057	25,576	17,014	6,145
	Tonnage Variation (t)			-5,614	1,957	1,067
	Saving (£)			-£ 578,265.38	-£ 97,867.77	£ 77,324.71
	Potential Saving @ average			-£ 598,808.44		

Expenditure based on 2021/22 tonnages

Potential saving on 60l/week residual waste collection restriction	2021/22 Actual Tonnage			Potential Tonnage		
	Residual Waste (t)	Food Waste (t)	Dry Recycling (t)	Residual Waste - 30% decrease	Dry Recycling - 17% increase	Food Waste - 28% increase
	29,697	4,684	14,240	20,788	16,661	5,996
	Tonnage Variation (t)			-8,909	2,421	1,312
	Saving (£)			-£ 917,636.99	-£ 121,043.69	£ 95,088.16
	Potential Saving @ 60l			-£ 943,592.52		

Potential saving on average residual waste collection restriction	2021/22 Actual Tonnage			Potential Tonnage		
	Residual Waste (t)	Food Waste (t)	Dry Recycling (t)	Residual Waste - 18% decrease	Dry Recycling - 13% increase	Food Waste - 21% increase
	29,697	4,684	14,240	24,352	16,092	5,668
	Tonnage Variation (t)			-5,345	1,851	984
	Saving (£)			-£ 550,582.19	-£ 92,562.82	£ 71,316.12
	Potential Saving @ average			-£ 571,828.89		

Mae'r dudalen hon yn wag yn bwrpasol

**ENVIRONMENT & ECONOMY OVERVIEW & SCRUTINY COMMITTEE**  
**1 FEBRUARY 2023**

Minutes of the meeting of the Environment & Economy Overview & Scrutiny Committee of Flintshire County Council held as a remote attendance meeting on Wednesday 1 February, 2023

**PRESENT: Councillor David Evans (Chairman)**

Councillors: Mike Allport,

**APOLOGIES:** Councillor Carol Ellis (one of the initiators of the call in)

**SUBSTITUTIONS:** Councillor Tina Claydon (for Councillor Richard Lloyd)

**ALSO PRESENT:**

Councillors: Bernie Attridge, Glyn Banks, Helen Brown, Richard Jones and David Richardson (initiators of the call in)

Councillor Richard Lloyd attended as an observer

**CONTRIBUTORS:** Councillor Dave Hughes (Deputy Leader and Cabinet Member for Streetscene and the Regional Transport Strategy); Chief Officer (Streetscene and Transportation); Regulatory Services Manager; Streetscene Service Manager and Waste Operations Manager

**IN ATTENDANCE:**

Democratic Services Manager and Overview & Scrutiny Facilitator

**48. DECLARATIONS OF INTEREST**

None.

**49. CONSIDERATION OF A MATTER REFERRED TO THE COMMITTEE PURSUANT TO THE CALL IN ARRANGEMENTS**

The Chairman advised that the Cabinet had considered a report on 'Waste Strategy Review' at a meeting held on 17 January 2023. The decision (Record of Decision 4056) had been called in by Councillors Bernie Attridge, Helen Brown, David Richardson, Carol Ellis, Richard Jones and Glyn Banks. Copies of the Cabinet report, Record of Decision and Endorsement of Call in, which identified three reasons for the call in, were included in the agenda pack.

The Democratic Services Manager explained the procedure for the call in of a Cabinet decision as detailed in the supporting document which was included in the agenda.

The Chairman invited the signatories to present the reasons for the call-in to the Committee.

**50. WASTE STRATEGY REVIEW**

Representations from call in signatories

Councillor Richard Jones outlined the reasons for the call in as detailed within the Agenda. Whilst commenting on the reasons relating to the proposed pilot, he outlined the comments made by Cabinet Members during consideration of the Waste Strategy Review report, which had been around the need for better education and the fact that residents had worked with the Council in the past in ensuring high recycling rates and that this could happen again. The signatories of the call in did not support the introduction of a pilot scheme without knowing the costs, especially given the Chief Officer's comments that this could be tricky, logistically challenging and would add additional cost and feel that education and awareness for residents could work again.

Councillor Jones referred to data provided to Members during the Waste Strategy Workshop held on 9 November, 2022 which showed that the Council had the same collection frequencies as 2 other Council's with the highest recycling collection rates across Wales. He commented on the recycling collection rates at Wrexham Council which currently stood at 68% and that they had 240lr bins and a 2 weekly collection frequency. He felt that this demonstrated that achieving a better recycling rate had nothing to do with the frequency of collections or the size of the black bin and everything to do with education around recycling.

Councillor Glyn Banks recognised that at present the recycling collection rates were disappoint but felt that the 70% target rate was not only achievable but passable by implementation of the proposals put forward to the Scrutiny Committee and Cabinet back in September 2021 and without the need to change the frequency of collections. In outlining each of the proposals included within the September 2021 report, he did not believe that they had been fully implemented, especially around education and enhanced enforcement. He said that the Council was following the WG Strategy to the letter but was not implement it and did not feel that the WG could fine the Council for not hitting the target, especially given the increase in home working as a result of the Pandemic.

In relation to Absorbent Hygiene Products (AHP), Councillor Banks welcomed the collection of these products but raised concern that they were being taken to Parc Adfer and not being recycled. He said that the weight of this collection could have a positive increase on the recycling rates and cited Gwynedd Council as an example of a Council who sent their produce to South Wales for recycling. He felt that this was an area that the Council could improve on. He also commented on the Household Recycling Centres and whilst praising the staff at the centres, more work needed to be done to ensure all general waste was being checked for recycling. He said that before any consideration was given to moving to 3 or 4 weekly waste collection service, he wanted to see that all of the proposals within the September 2021 report had been implemented and a further report brought back to the Committee. If these proposals were implemented and they had no effect on the recycling targets then he appreciated that the frequency of collections may need to be considered further.

Councillor Helen Brown commented on the AHP and felt that if this was recycled the Council could be reaching its recycling target. She said that many



residents were complaining about the length of time taken to receive caddies which were not always available and that residents were also not aware that this waste was not being recycled.

Councillor David Richardson asked why changing the frequency of collections was being considered as part of the pilot when areas, such as, education and enforcement could be improved. He said that since becoming a Councillor he had not seen any enforcement within his ward and commented on enforcement within the private sector which he said was proactive instead of reactive. He felt that the Council should make recycling easier for residents, commenting on the recycling bags which many residents complained about and also the opening times of Household Recycling Centres which were not accessible for residents working full time.

Councillor Bernie Attridge felt that there was a lack of consistency with waste collections, commenting on cardboard and side waste being collected at some properties and not at others. He commented on the partnership working between the Council and Housing Associations and the lack of recycling being carried out at Housing Association flats due to the lack of communal bins provided. He suggested that the Council withhold the Social Housing Grant to Housing Associations until they provided adequate bins for recycling as he felt that this was assist with the Council's recycling target. He said that he had been proud during his time as Deputy Leader that the Council was one of the top performing Council's across Wales in terms of recycling targets and said he was confident that the Council could meet the targets again without changing the frequency of collections which he felt penalized residents.

#### Responses from the decision makers

The Chief Officer (Streetscene & Transportation) gave a detailed presentation in response to the concerns and comments made by the signatories of the call-in, which covered the following areas:-

- Reasons provided for call-in
- Response to the Call-In
- Education
- Enforcement
- Other local authority performance

The Regulatory Services Manager responded to the comments around the volume of AHP collected and reported that the volume was 470 tonnes per annum which was not a significant enough volume to meet the 64% recycling target rate let alone the future target of 70%. She said that whilst the service had been embraced by members of the public and that they continued to work with WG to look for long term sustainable recycling solutions, this waste alone would not be sufficient to reach the recycling targets. She advised that the recycling waste being placed in black bins should be targeted and reported that 27% of food waste was being placed in black bins. This amounted to 6,620 tonnes of food waste last year where only 4,470 tonnes of food waste was collected through the weekly collection service provided to residents. Ensuring this type of waste was placed out for recycling would have a significant impact on recycling collection rates.

The Regulatory Services Manager also reported that, following a commitment to increase the number of Enforcement Officers, 3 additional Officers had been appointed to assist with tackling additional fly tipping issues.

The Chief Officer commented on the suggestion to send AHP waste to South Wales as was being carried out by Gwynedd Council and advised that early cost benefit analysis carried out suggested that it was not economical for the Council to send this waste to South Wales. She reported that the waste sent to Parc Adfer did count towards the recycling collection figures. All options on how this waste was disposed would continue to be explored.

The Chief Officer also reported that providing that cardboard was flat packed and not contaminated this would be collected for recycling by the operatives.

The Chairman invited Members of the Committee to ask questions of the decision makers.

Councillor Mike Peers said that it seemed Cabinet voted to support the proposal to pilot a reduction in the frequency of collections without considering a detailed report on the pilot scheme. He said that during consideration of the report at the Scrutiny Committee meeting held on 10 January Members were advised that reducing the weekly capacity in the black bin would force residents to recycle. He said that he had not agreed with this statement at the time and did not agree with it now having done further research and cited the recycling collection rates at Wrexham Council as an example of why he felt this statement was flawed. He commented on the enforcement of side waste and that 6 fixed penalty notices had been issued since September 2021, which he felt gave the impression that side waste wasn't a significant issue.

In referring to the Waste Strategy Review report to Scrutiny and Cabinet in January, Councillor Peers commented on the blueprint, as outlined within the report, which stated that if adopted, would result in high rates of high quality recycling and questioned whether the blueprint was not working or not being followed, as the high rates and high quality recycling was not being met. On a composite analysis, he felt that the problem lied with household not recycling properly and not about reducing bin capacity and changing the frequency of collections was not the answer. He said that if residents currently put food waste in an 180lr black bin with 2 weekly collections, they will still do the same with a 3 weekly collection.

The Chief Officer said that Councillor Peers was correct that Cabinet would not have supported a pilot without detail and that Cabinet had recommended that a further report be brought back to a future meeting to outline specific details of the proposed pilot prior to a decision being made on whether to proceed. She said that she could not comment on the collection rates at Wrexham Council as they did not operate their service in-house but she said that she could approach them to ascertain what they did differently as they were the only Council bucking the trend of all Local Authorities across Wales. From the data collected all 4 best performing Councils had reduced the size of the black bin to 60lr with 1 Council increasing their recycling rates by 11%.

The Chief Officer also agreed with the comments made by Councillor Peers that the reason the Council were not meeting their recycling target was because some members of the public were not recycling properly and that residual waste had increased by 9% and therefore it was necessary for the Council to look at restrictions to encourage recycling.

The Regulatory Services Manager responded to comments that members of the public who recycled regularly could feel punished unnecessarily through the changes to waste collection frequency. She did not feel that this was a valid argument as they would not need the capacity within their black bin. She said that all members of the public should be encouraged to use the comprehensive recycling service, provided weekly, to its full capacity.

Councillor Richard Jones commented on food waste being the densest waste and the concern around the weight of the waste if residents continued to place this waste in their black bin. He commented on the recommendation made by the Scrutiny Committee in January around the pilot but said Members were not aware that there would be a change to the frequency of collections without further information being presented.

Councillor Glyn Banks commented on the number of residents using the AHP service which he said worked out less than 0.1kg per person per week. He said that even allowing for that weight of 470 tonnes, this was still a £61,000 gate fee at Parc Adfer and felt that looking at sending this waste to South Wales in conjunction with Gwynedd Council should be considered.

Councillor David Richardson asked whether officers enforced side waste only or whether they also checked waste within the black bins. He said that some families had 6 members in one household and others lived on their own and that those that lived on their own may continue to put all waste in the black bin even with smaller bins.

Councillor Roy Wakleman said that when he seconded the proposal for a pilot at the Scrutiny Committee meeting in January, the discussion had been around educating residents and he questioned how the change in frequency of collections to 3 weekly had been included in the pilot when considered by Cabinet. The Chairman said that his recollection from the Committee meeting was that there wasn't a one size fits all solution but it was also suggested that a pilot be considered.

Councillor Chris Dolphin supported the comments of officers around food waste and said that there needed to be more education and enforcement. He spoke of his personal experience of being able to recycle fully with 4 adults and 2 babies in one household and the need for education which could be carried out through leaflets to residents outlining the fines which could be imposed on the Council if recycling targets were not met. He spoke in favour of Option 3 as a recommendation from the Committee, that the decision should be reconsidered by Cabinet as he was not in favour of a pilot and felt that the Council should get on with introducing a 3 weekly collection as those residents who currently recycle would not be affected.

Councillor Ian Hodge spoke on the need for education, citing a recent situation where he had visited schools and was disappointed with the lack of education at schools and at home, when questioning children on their knowledge of recycling.

The Chairman said that education would be a great thing but the 70% recycling target was coming around quicker than all of the education could be carried out.

Councillor Mared Eastwood asked where reducing the black bins to 60l sat within the blueprint that WG expected the Council to deliver on. The Chief Officer advised that the size of the bins did not sit within the blueprint as WG did not specify litres per week. The Council had collected a great deal of data and evidence that those Councils who had moved to reducing the black bins to 60l had higher recycling rates. WG were reviewing the blueprint but additional responsibilities, such as the AHP waste collection, had been placed on Local Authorities as part of the current blueprint.

Councillor Dan Rose said that when proposing the pilot at the Scrutiny Committee meeting in January, the Committee were discussing education and that the methodology used for the pilot was an important detail for Members to know. He said that the Council needed to look at all options available in order to give Officers confidence when meeting with WG Ministers to demonstrate what actions were being considered/taken. He felt that the purpose of the pilot should be to dig deeper in understanding why residents were not recycling and that the area chosen would be important given the 47% of recycling waste currently being put in the back bin. He asked if the 47% of recycling waste was based on weight or volume.

The Regulatory Services Manager advised that the data was based on weight. The Chief Officer also added that during consideration of the Waste Strategy at the Scrutiny Committee and Cabinet meetings, it was not specified what the frequency of collections would be during the pilot. The intention of presenting a further report to Cabinet on the pilot would be to consider various options around frequency and size of bin.

The Cabinet Member for Streetscene and the Regional Transport Strategy outlined the financial implications to the Council in not meeting the recycling targets which equated to 0.7% of Council Tax. He said that no decision had been made to pilot a 3 weekly waste collection service but said that a pilot, once agreed by Cabinet, would provide data and evidence on the impact any changes would have.

The Chairman invited the initiators of the call in to sum up.

Councillor Richard Jones, in summing up, said that it was unfair for officers to say that other options, alongside changing the frequency of collections was being considered by Cabinet, as during the Cabinet meeting, piloting a 3 weekly collection was all that was discussed. During the Cabinet meeting, the Chief Officer had offered to bring back a report on the pilot but this would include information on the area selected and other data relating to 3 weekly collection and not different types of pilot schemes. He did not feel that changing the

frequency of collections would have a positive effect as this could antagonise and disenfranchise residents to do the right thing. He also felt that the signatories of the call in had provided enough evidence that there was doubt with the Cabinet decision around the pilot and that there was a need to change residents behaviour which would be a better course of action to increase recycling rates.

Councillor Glyn Banks asked the Committee to consider Option 3 or 4 as a recommendation and said that if Cabinet were minded to go ahead with a pilot, all options around frequency of collections and size of bins should be considered in order to provide accurate data to the Council.

The Chief Officer, in summarising, said that regardless of what action the Council took it was still facing a fine of £663,000 for not achieving the recycling targets set by WG last year and were likely to be fined further within this financial year. She advised that the Council was educating people and carrying out enforcement but members of the public who refused to recycle were not changing their behaviour and this posed a significant financial risk to the Council.

The Chairman invited the Democratic Service Manager to remind Members of the options for decision-making as detailed in item 3 of the agenda.

Councillor Mared Eastwood asked if Members wanted to see detailed proposals on how the pilot would work, which Option would this be for the recommendation. The Chairman advised that this would be Option 3 to ask Cabinet to look at the decision again.

Councillor Mike Peers proposed Option 3 and this was seconded by Councillor Ian Hodge. When put to the vote the proposal was carried.

Councillor Mike Peers asked that the nature of Members concerns be set out in writing to Cabinet.

**RESOLVED:**

That having considered the decision, the Committee is still concerned about it and refers this decision back to Cabinet to be reconsidered at the earliest scheduled meeting.

**51. MEMBERS OF THE PRESS IN ATTENDANCE**

There were no members of the press in attendance.

(The meeting started at 10.00 am and ended at 11.35 am)

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**Chairman**

Mae'r dudalen hon yn wag yn bwrpasol

# Eitem ar gyfer y Rhaglen 15

## EXERCISE OF DELEGATED POWERS - DECISIONS TAKEN

### REPORTED TO CABINET – 23.02.23

#### Education and Youth

- **Queensferry Campus Site, Holywell. Transfer of Land to Valuation & Estates**  
To declare sections of land at the Queensferry Learning Campus surplus to Education requirements, and to transfer to Valuation and Estates Team for the purpose of progressing the Community Asset Transfer of Ty Calon Community Centre and the associated land identified. This will enable Deeside Community Trust to access funding independent of the Local Authority constraints as previously agreed with COT.

#### Revenues

- **Business Rates Write Offs**  
Financial Procedure Rules requires the Corporate Finance Manager and the Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources to write off debts between £5k and £25k. An outstanding Business Rates debt from April 2014 to October 2016, amounting to £16,843.50 is now deemed irrecoverable and 'statute barred' and a write off is necessary.

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

Mae'r dudalen hon yn wag yn bwrpasol



**FLINTSHIRE COUNTY COUNCIL FORWARD WORK PROGRAMME ITEMS  
COUNCIL, CABINET, AUDIT AND GOVERNANCE & SCRUTINY  
1 February 2023 TO 31 July 2023**

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 369	2/02/23	Overview and Scrutiny	<b>Forward Work Programme and Action Tracking (EY&amp;C OSC)</b> To consider the Forward Work Programme of the Education, Youth & Culture Overview & Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.	Operational	

Atodiad i'r Rhaglen

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  Tudalen 370	2/02/23	Education and Youth	<b>School Parking</b> To provide information on the traffic regulation process and enforcement provision.	Operational	Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy, Leader of the Council and Cabinet Member for Education, Welsh Language, Culture and Leisure
Education, Youth & Culture Overview & Scrutiny Committee	2/02/23	Education and Youth	<b>Music Service Theatr Clwyd</b> To provide the Committee with information on the Music Service, including numbers of learners.	Operational	Leader of the Council and Cabinet Member for Education, Welsh Language, Culture and Leisure
Education, Youth & Culture Overview & Scrutiny Committee	2/02/23	Chief Executive's	<b>Council Plan 2022-23 Mid-Year Performance Reporting (EYC OSC)</b> To review the levels of progress in the achievement of activities and performance levels identified in the Council Plan.	Operational	Leader of the Council and 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	7/02/23	Overview and Scrutiny	<p><b>Forward Work Programme and Action Tracking (E&amp;E OSC)</b></p> <p>To consider the Forward Work Programme of the Environment &amp; Economy Overview &amp; Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.</p>	Operational	
<div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-right: 5px;">TUESDAY 3/7/23</div> <div>Environment &amp; Economy Overview &amp; Scrutiny Committee</div> </div>	7/02/23	Planning, Environment and Economy	<p><b>Wepre Park Management plan</b></p> <p>To present and agree the new Wepre Park management plan.</p>	Operational	Cabinet Member for Climate Change and Economy
Environment & Economy Overview & Scrutiny Committee	7/02/23	Planning, Environment and Economy	<p><b>Woodland Strategy (Urban Tree &amp; Woodland Plan and Flintshire Forest)</b></p> <p>To provide an update on delivering the Urban Tree and Woodland Plan and to seek members views on developing a Flintshire Forest</p>	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)
Environment & Economy Overview & Scrutiny Committee	7/02/23	Planning, Environment and Economy	<b>Climate Change Programme Progress Report</b> To provide an update on progress within the climate change programme.	Strategic	Cabinet Member for Climate Change and Economy
Environment & Economy Overview & Scrutiny Committee	7/02/23	Planning, Environment and Economy	<b>Memorials/Legacy in the Countryside Policy</b> To agree a new policy to deal with memorials and legacy requests within greenspaces and the countryside.	Operational	Cabinet Member for Climate Change and Economy
Environment & Economy Overview & Scrutiny Committee	7/02/23	Planning, Environment and Economy	<b>Dwr Cymru Welsh Water draft Water Resources Management Plan 2024 - Public Consultation Launch</b> To make Members aware of the stakeholder consultation in progress, the issues raised by the plan, and to consider how the Council should respond	Strategic	Cabinet Member for Planning, Public Health and Public Protection

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	8/02/23	Overview and Scrutiny	<p><b>Forward Work Programme and Action Tracking</b> To consider the Forward Work Programme of the Community &amp; Housing Overview &amp; Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.</p>	Operational	
Community & Housing Overview Scrutiny Committee	8/02/23	Housing and Communities	<p><b>Housing Support Grant</b> To provide an update on the Housing Support Grant.</p>	Operational	Cabinet Member for Housing and Regeneration
Community & Housing Overview & Scrutiny Committee	8/02/23	Housing and Communities	<p><b>Common Housing Register (Single Access Route to Housing - SARTH)</b> To provide an update on the Common Housing Register and outcome of the customer satisfaction survey.</p>	Operational	Cabinet Member for Housing and Regeneration
Community & Housing Overview & Scrutiny Committee	8/02/23	Housing and Communities	<p><b>Housing Revenue Account (HRA) Garage Sites and Plot Sites update</b> To provide an update on work being carried out at Garage sites across the County.</p>	Operational	Cabinet Member for Housing and Regeneration

<b>COMMITTEE</b>	<b>MEETING DATE</b>	<b>CHIEF OFFICER PORTFOLIO</b>	<b>AGENDA ITEM &amp; PURPOSE OF REPORT</b>	<b>REPORT TYPE (Strategic or Operational) (Cabinet only)</b>	<b>PORTFOLIO (Cabinet only)</b>
Community & Housing Overview & Scrutiny Committee	8/02/23	Housing and Communities	<b>Sheltered Housing Review Report</b> To provide an update to the Committee following the Sheltered Housing review.	Operational	Cabinet Member for Housing and Regeneration
Community & Housing Overview & Scrutiny Committee	8/03/23	Housing and Communities	<b>NEW Homes Business Plan</b> To consider the NEW Homes Business Plan.	Operational	Cabinet Member for Housing and Regeneration
Community & Housing Overview & Scrutiny Committee	8/03/23	Housing and Communities	<b>Customer Involvement Strategy</b> To introduce the new draft Tenant Engagement Strategy.	Operational	Cabinet Member for Housing and Regeneration
Corporate Resources Overview & Scrutiny Committee	9/02/23	Overview and Scrutiny	<b>Action Tracking</b> To inform the Committee of progress against actions from previous meetings.	Operational	
Corporate Resources Overview & Scrutiny Committee	9/02/23	Overview and Scrutiny	<b>Forward Work Programme</b> To consider the Forward Work Programme of the Corporate Resources Overview & Scrutiny Committee.	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	9/02/23	Chief Executive's	<p><b>Revenue Budget Monitoring 2022/23 (Month 9) and Capital Programme 2022/23 (Month 9)</b></p> <p>The purpose of this report is to provide Members with the Revenue Budget Monitoring 2022/23 (Month 9) Report and the Capital Programme 2022/23 (Month 9) Report, and Significant Variances.</p>	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Corporate Resources Overview & Scrutiny Committee	9/02/23	Social Services	<p><b>Joint Funded Care Packages - Update Report</b></p> <p>To share an update on the current situation on the long term debt with the Betsi Cadwaladr University Health Board since the last report was received.</p>	Operational	Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing
Cabinet	23/02/23	Chief Executive's	<p><b>Capital Programme Monitoring 2022/23 (Month 9)</b></p> <p>To present the Month 9 Capital Programme information for 2022/23.</p>	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement

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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	23/02/23	Chief Executive's	<b>Treasury Management Strategy 2023/24</b> To present the draft Treasury Management Strategy 2023/24 for recommendation to Council.	Strategic	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Cabinet Tudalen 376	23/02/23	Governance	<b>Report back from the Call In of Decision No.4056 - Waste Strategy Review</b> To report back from the Call In.	Operational	Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy
Cabinet	23/02/23	Chief Executive's	<b>Revenue Budget Monitoring 2022/23 (Month 9)</b> This regular monthly report provides the latest revenue budget monitoring position for 2022/23 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.	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	23/02/23	Chief Executive's	<b>Minimum Revenue Provision - 2023/24 Policy</b> To present the Council's draft policy on Minimum Revenue Provision.	Strategic	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Cabinet	23/02/23	Social Services	<b>Age Friendly Communities</b> To seek support for the submission of an application for membership of the World Health Organisation (WHO) Global Network of Age Friendly Cities and Communities.	Operational	Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing
Cabinet	23/02/23	Planning, Environment and Economy	<b>Wepre Park Management plan</b> To present and agree the new Wepre Park management plan.	Operational	Cabinet Member for Climate Change and Economy
Cabinet	23/02/23	Planning, Environment and Economy	<b>Climate Change Programme Progress Report</b> To provide an update on progress within the climate change programme.	Strategic	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	23/02/23	Planning, Environment and Economy	<b>Memorials/Legacy in the Countryside Policy</b> To agree a new policy to deal with memorials and legacy requests within greenspaces and the countryside.	Operational	Cabinet Member for Climate Change and Economy
Cabinet Tudalen 378	23/02/23	Governance	<b>Joint Procurement Service Annual Report 2021/22</b> To receive a performance update report on the Joint Procurement Service with Denbighshire County Council.	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Cabinet	23/02/23	Chief Executive's	<b>Council Fund Revenue Budget 2023/24 - Final Closing Stage</b> To update on the final budget proposals for 2023/24 for recommendation to County Council	Strategic	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Flintshire County Council	23/02/23	Chief Executive's	<b>Council Fund Revenue Budget 2023/24 - Final Closing Stage</b> To set a legal and balanced budget for 2023/24 on the recommendation of Cabinet.		

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Flintshire County Council	23/02/23	People and Resources	<p><b>Pay Policy Statement for 2023/24</b></p> <p>All local authorities are required to publish their Pay Policy Statement by April annually. The Pay Policy Statement presented within this report is the eleventh annual Statement published by Flintshire County Council.</p>		
<span style="writing-mode: vertical-rl; transform: rotate(180deg);">Flintshire County Council</span>	23/02/23	Governance	<p><b>Council Tax Setting for 2023/24</b></p> <p>To set the Council Tax charges for 2023-24 as part of the Council's wider budget strategy.</p>		
Flintshire County Council	23/02/23	Chief Executive's	<p><b>Minimum Revenue Provision - 2023/24 Policy</b></p> <p>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.</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	23/02/23	Chief Executive's	<b>Treasury Management Strategy 2023/24, Treasury Management Policy Statement, Practices &amp; Schedules 2023-26</b> To present to Members the draft Treasury Management Strategy 2023/24.		
Total March					
Social & Health Care Overview & Scrutiny Committee	2/03/23	Overview and Scrutiny	<b>Forward Work Programme and Action Tracking (S&amp;HC OSC)</b> To consider the Forward Work Programme of the Social & Health Care Overview & Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.	Operational	
Social & Health Care Overview & Scrutiny Committee	2/03/23	Social Services	<b>Rota Visits</b> To receive a report on the Rota Visits undertaken by Members of the Committee.	Operational	Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing

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	7/03/23	Overview and Scrutiny	<p><b>Forward Work Programme and Action Tracking (E&amp;E OSC)</b></p> <p>To consider the Forward Work Programme of the Environment &amp; Economy Overview &amp; Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.</p>	Operational	
<div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-right: 5px;">Tabled 18/03/23</div> <div>Environment &amp; Economy Overview Scrutiny Committee</div> </div>	7/03/23	Streetscene and Transportation	<p><b>Local Toilet Strategy</b></p> <p>The advise Scrutiny that the next statutory formal review point for our Local Toilet Strategy is required to follow the local government elections that were held in May 2022, and we now have one year from the date of the elections to review, revise, consult upon and publish updated strategies for our local area. This report sets out the approach being taken and the timescales of the review. This revised Local Toilet Strategy will be presented in March 2023.</p>	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)
Environment & Economy Overview & Scrutiny Committee	7/03/23	Streetscene and Transportation	<b>Grass Cutting Policy</b> To advise Scrutiny of the revised Grass Cutting Policy.	Strategic	Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy
Environment & Economy Overview & Scrutiny Committee TUD 382	7/03/23	Streetscene and Transportation	<b>Streetscene Standards</b> The Streetscene Standards have not been reviewed since 2019. This reports reviews the existing standards and recommend amendments to ensure that the service continues to delivers to the needs and expectations of the public.	Operational	Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy
Community & Housing Overview & Scrutiny Committee	8/03/23	Overview and Scrutiny	<b>Forward Work Programme and Action Tracking</b> 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.	Operational	

<b>COMMITTEE</b>	<b>MEETING DATE</b>	<b>CHIEF OFFICER PORTFOLIO</b>	<b>AGENDA ITEM &amp; PURPOSE OF REPORT</b>	<b>REPORT TYPE (Strategic or Operational) (Cabinet only)</b>	<b>PORTFOLIO (Cabinet only)</b>
Community & Housing Overview & Scrutiny Committee	8/03/23	Housing and Communities	<b>Dynamic Resource Scheduler (DRS) System Update</b> To provide an update following implementation of the DRS System.	Operational	Cabinet Member for Housing and Regeneration
Corporate Resources Overview & Scrutiny Committee	9/03/23	Overview and Scrutiny	<b>Action Tracking (CROSC)</b> To inform the Committee of progress against actions from previous meetings.	Operational	
Corporate Resources Overview & Scrutiny Committee	9/03/23	Overview and Scrutiny	<b>Forward Work Programme (CROSC)</b> To consider the Forward Work Programme of the Corporate Resources Overview & Scrutiny Committee.	Operational	
Corporate Resources Overview & Scrutiny Committee	9/03/23	Governance	<b>Joint Corporate Procurement Unit - Annual Report for 2021/22</b> To receive a performance update report on the Joint Procurement Service with Denbighshire County Council.	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement

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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	9/03/23	Chief Executive's	<b>Revenue Budget Monitoring 2022/23 (Month 10)</b> To provide Members with the Revenue Budget Monitoring 2022/23 (Month 10) Report and Significant Variances.	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Cabinet Tudalen 384	14/03/23	Education and Youth	<b>Admissions Consultation 2024/2025</b> To advise on the outcome of the statutory consultation exercise on the admission arrangements for 2024/25 and to recommend approval.	Operational	Leader of the Council and Cabinet Member for Education, Welsh Language, Culture and Leisure
Cabinet	14/03/23	Chief Executive's	<b>Revenue Budget Monitoring 2022/23 (Month 10)</b> This regular monthly report provides the latest revenue budget monitoring position for 2022/23 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



COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	14/03/23	Governance	<b>Business Rate Write Offs in excess of £25,000</b> For cabinet to approve the write off of Business Rate balances in excess of £25,000 where it is no longer possible to collect the debts	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Cabinet Tudalen 385	14/03/23	Streetscene and Transportation	<b>Streetscene Standards Review 2022-23</b> To review the existing Streetscene standards and consider a new set of measures and performance indicators that link more closely to the Council Plan, portfolio business plan and policies.	Operational	Deputy Leader of the Council and Cabinet Member for Streetscene and the Regional Transport Strategy
Cabinet	14/03/23	Chief Executive's	<b>Strategic Equality Plan Annual Report 2021/22</b> To present the 2021/22 annual report for the Strategic Equality Plan.	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)
Governance and Audit Committee	22/03/23	Governance	<b>Annual Governance Statement 2021/22 Mid-year Progress Report</b> To provide the Governance and Audit Committee with an update of the progress made against managing the issues identified within the 2021/22 Annual Governance Statement.	All Report Types	
Governance and Audit Committee	22/03/23	Chief Executive's	<b>Q4 Treasury Management Update 2022/23</b> To provide an update on matters relating to the Council's Treasury Management Policy, Strategy and Practices to the end of February 2023	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Governance and Audit Committee	22/03/23	Governance	<b>Risk Management Update</b> To be assured that the updated risk management framework is comprehensive and functional.	All Report Types	

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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	22/03/23	Governance	<p><b>Governance &amp; Audit Committee Self-Assessment</b>            To present the results of the Committee's 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	
Education, Youth & Culture Overview & Scrutiny Committee	23/03/23	Overview and Scrutiny	<p><b>Forward Work Programme and Action Tracking (EY&amp;C OSC)</b>            To consider the Forward Work Programme of the Education, Youth &amp; Culture Overview &amp; Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.</p>	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)
Education, Youth & Culture Overview & Scrutiny Committee	23/03/23	Education and Youth	<b>Anti-racist Wales Action Plan</b> To outline 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	Leader of the Council and Cabinet Member for Education, Welsh Language, Culture and Leisure
Education, Youth & Culture Overview & Scrutiny Committee	23/03/23	Chief Executive's	<b>Council Plan 2023-28 Development (EY&amp;C OSC)</b> To share the Council Plan 2023-28 Part 1 and Part 2 draft content for review/feedback prior to sign off at Cabinet.	Strategic	Leader of the Council and Cabinet Member for Education, Welsh Language, Culture and Leisure
April					
Environment & Economy Overview & Scrutiny Committee	18/04/23	Planning, Environment and Economy	<b>Housing regeneration grants and loans policy</b> to ask the Scrutiny Committee to review the draft refreshed Housing Regeneration Grants and Loans Policy and to recommend approval to Cabinet.	Operational	Cabinet Member for Climate Change and Economy

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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)
Environment & Economy Overview & Scrutiny Committee	18/04/23	Chief Executive's	<b>Council Plan 2023-28 Development (E&amp;E OSC)</b> To share the Council Plan 2023-28 Part 1 and Part 2 draft content for review/feedback prior to sign off at Cabinet.	Strategic	Leader of the Council and Cabinet Member for Education, Welsh Language, Culture and Leisure
Community & Housing Overview & Scrutiny Committee	19/04/23	Overview and Scrutiny	<b>Forward Work Programme and Action Tracking</b> 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.	Operational	
Environment & Economy Overview & Scrutiny Committee	18/04/23	Overview and Scrutiny	<b>Forward Work Programme and Action Tracking (E&amp;E OSC)</b> To consider the Forward Work Programme of the Environment & Economy Overview & Scrutiny Committee and 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)
Environment & Economy Overview & Scrutiny Committee	18/04/23	Planning, Environment and Economy	<b>North Wales Energy Strategy &amp; Action Plan and Local Area Energy Plan</b> Adoption of Regional Energy Strategy & Action Plan and support for development of Local Area Energy Plans	Strategic	Cabinet Member for Climate Change and Economy
Community & Housing Overview & Scrutiny Committee	19/04/23	Housing and Communities	<b>Temporary Accommodation Audit Update</b> To provide a progress report on the action plan for service improvement following the audit of the Temporary Accommodation.	Operational	Cabinet Member for Housing and Regeneration
Community & Housing Overview & Scrutiny Committee	19/04/23	Chief Executive's	<b>Council Plan 2023-28 Development (C&amp;H OSC)</b> To share the Council Plan 2023-28 Part 1 and Part 2 draft content for review/feedback prior to sign off at Cabinet.	Strategic	Leader of the Council and Cabinet Member for Education, Welsh Language, Culture and Leisure
Corporate Resources Overview & Scrutiny Committee	20/04/23	Overview and Scrutiny	<b>Forward Work Programme (CROSC)</b> 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	20/04/23	Chief Executive's	<b>NEWydd Business Plan 2023/24</b> To present the NEWydd Catering & Cleaning Ltd Business Plan 2023/24 for endorsement	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Corporate Resources Overview & Scrutiny Committee	20/04/23	Chief Executive's	<b>Council Plan 2023-28 Development (CROSC)</b> To share the Council Plan 2023-28 Part 1 and Part 2 draft content for review/feedback prior to sign off at Cabinet.	Strategic	Leader of the Council and Cabinet Member for Education, Welsh Language, Culture and Leisure
Corporate Resources Overview & Scrutiny Committee	20/04/23	Chief Executive's	<b>Employment and Workforce End of Year Update</b> To present end of year workforce statistics and their analysis.	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)
Corporate Resources Overview & Scrutiny Committee  Tudalen 392	20/04/23	Chief Executive's	<b>Delivering public services through outsourcing or shared services</b> To explore the benefits and limitations of outsourcing and/or creating shared services as a means to deliver Council services - as requested at the July meeting of the Corporate Resources Overview and Scrutiny Committee.	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Corporate Resources Overview & Scrutiny Committee	20/04/23	Overview and Scrutiny	<b>Action Tracking (CROSC)</b> To inform the Committee of progress against actions from previous meetings.	Operational	
Social & Health Care Overview & Scrutiny Committee	20/04/23	Overview and Scrutiny	<b>Forward Work Programme and Action Tracking (S&amp;HC OSC)</b> To consider the Forward Work Programme of the Social & Health Care Overview & Scrutiny Committee and 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)
Social & Health Care Overview & Scrutiny Committee	20/04/23	Chief Executive's	<b>Council Plan 2023-28 Development (S&amp;HC OSC)</b> To share the Council Plan 2023-28 Part 1 and Part 2 draft content for review/feedback prior to sign off at Cabinet.	Strategic	Leader of the Council and Cabinet Member for Education, Welsh Language, Culture and Leisure
Cabinet	25/04/23	Planning, Environment and Economy	<b>Housing Regeneration Grants and Loans Policy</b> To ask Cabinet to review and approve the draft refreshed Housing Regeneration Grants and Loans Policy.	Operational	Cabinet Member for Climate Change and Economy
Cabinet	25/04/23	Chief Executive's	<b>Delivering public services through outsourcing or shared services</b> To explore the benefits and limitations of outsourcing and/or creating shared services as a means to deliver Council services	Operational	Cabinet Member for Finance, Inclusion, Resilient Communities including Social Value and Procurement
Cabinet	25/04/23	Social Services	<b>Maes Gwern</b> To provide an update on progress at the new Maes Gwern development in Mold.	Operational	Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing

COMMITTEE	MEETING DATE	CHIEF OFFICER PORTFOLIO	AGENDA ITEM & PURPOSE OF REPORT	REPORT TYPE (Strategic or Operational) (Cabinet only)	PORTFOLIO (Cabinet only)
Cabinet	25/04/23	Chief Executive's	<b>NEWydd Business Plan 2023/24</b> To present the NEWydd Catering & Cleaning Ltd Business Plan 2023/24 for endorsement	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Tudalen 394 Cabinet	25/04/23	Internal Audit	<b>Corporate Self-Assessment 2021-22</b> To report on the findings and improvement plan following the completion of the Corporate Self-Assessment 2021/22	Strategic	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
Cabinet	25/04/23	Planning, Environment and Economy	<b>North Wales Energy Strategy &amp; Action Plan and Local Area Energy Plan</b> To approve adoption of the Regional Energy Strategy & Action Plan and support for development of Local Area Energy Plans.	Operational	Cabinet Member for Climate Change and Economy
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	11/05/23	Overview and Scrutiny	<p><b>Forward Work Programme and Action Tracking (EY&amp;C OSC)</b></p> <p>To consider the Forward Work Programme of the Education, Youth &amp; Culture Overview &amp; Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.</p>	Operational	
Environment & Economy Overview Scrutiny Committee 395	16/05/23	Overview and Scrutiny	<p><b>Forward Work Programme and Action Tracking (E&amp;E OSC)</b></p> <p>To consider the Forward Work Programme of the Environment &amp; Economy Overview &amp; Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.</p>	Operational	

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	17/05/23	Overview and Scrutiny	<b>Forward Work Programme and Action Tracking (C&amp;H OSC)</b> 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.	Operational	
Corporate Resources Overview & Scrutiny Committee	18/05/23	Overview and Scrutiny	<b>Forward Work Programme (CROSC)</b> To consider the Forward Work Programme of the Corporate Resources Overview & Scrutiny Committee.	Operational	
Corporate Resources Overview & Scrutiny Committee	18/05/23	Overview and Scrutiny	<b>Action Tracking (CROSC)</b> To inform the Committee of progress against actions from previous meetings.	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)
Cabinet	23/05/23	Governance	<b>Flintshire Connects Annual Report</b> To provide an update on current service delivery and developments within Flintshire Connects Centres.	Operational	Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources
June					
Social & Health Care Overview & Scrutiny Committee 397	8/06/23	Overview and Scrutiny	<b>Forward Work Programme and Action Tracking (S&amp;HC OSC)</b> To consider the Forward Work Programme of the Social & Health Care Overview & Scrutiny Committee and 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)
Environment & Economy Overview & Scrutiny Committee	13/06/23	Overview and Scrutiny	<p><b>Forward Work Programme and Action Tracking (E&amp;E OSC)</b></p> <p>To consider the Forward Work Programme of the Environment &amp; Economy Overview &amp; Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.</p>	Operational	
Governance and Audit Committee	14/06/23	Governance	<p><b>Internal Audit Charter</b></p> <p>To outline to Members the updated Internal Audit Charter.</p>	All Report Types	
Community & Housing Overview & Scrutiny Committee	14/06/23	Overview and Scrutiny	<p><b>Forward Work Programme and Action Tracking (C&amp;H OSC)</b></p> <p>To consider the Forward Work Programme of the Community &amp; Housing Overview &amp; Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.</p>	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	15/06/23	Overview and Scrutiny	<b>Action Tracking (CROSC)</b> To inform the Committee of progress against actions from previous meetings.	Operational	
Corporate Resources Overview & Scrutiny Committee	15/06/23	Overview and Scrutiny	<b>Forward Work Programme (CROSC)</b> To consider the Forward Work Programme of the Corporate Resources Overview & Scrutiny Committee.	Operational	
Flintshire County Council	20/06/23	Governance	<b>Rolling Review of the Councillors Code of Conduct</b> To approve the changes to the Code of Conduct for Councillors that have been recommended by the Standards Committee as part of the rolling review of the Constitution.		
Flintshire County Council	20/06/23	Planning, Environment and Economy	<b>Draft Statement of Gambling Policy Review</b> To seek Flintshire County Council approval for the Draft Statement of Gambling Policy 2023 – 2026		

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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)
July					
Environment & Economy Overview & Scrutiny Committee  Tudalen 400	11/07/23	Overview and Scrutiny	<b>Forward Work Programme and Action Tracking (E&amp;E OSC)</b> To consider the Forward Work Programme of the Environment & Economy Overview & Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.	Operational	
Environment & Economy Overview & Scrutiny Committee	11/07/23	Planning, Environment and Economy	<b>FCC Social Enterprise Update Report</b> To provide an update of social enterprise activity, achievements and future priorities	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	12/07/23	Overview and Scrutiny	<p><b>Forward Work Programme and Action Tracking (C&amp;H OSC)</b></p> <p>To consider the Forward Work Programme of the Community &amp; Housing Overview &amp; Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.</p>	Operational	
Education, Youth & Culture Overview & Scrutiny Committee	13/07/23	Overview and Scrutiny	<p><b>Forward Work Programme and Action Tracking (EY&amp;C OSC)</b></p> <p>To consider the Forward Work Programme of the Education, Youth &amp; Culture Overview &amp; Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.</p>	Operational	
Corporate Resources Overview & Scrutiny Committee	13/07/23	Overview and Scrutiny	<p><b>Action Tracking (CROSC)</b></p> <p>To inform the Committee of progress against actions from previous meetings.</p>	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	13/07/23	Overview and Scrutiny	<b>Forward Work Programme (CROSC)</b> To consider the Forward Work Programme of the Corporate Resources Overview & Scrutiny Committee.	Operational	
Social & Health Care Overview & Scrutiny Committee Ryedale 402	20/07/23	Overview and Scrutiny	<b>Forward Work Programme and Action Tracking (S&amp;HC OSC)</b> To consider the Forward Work Programme of the Social & Health Care Overview & Scrutiny Committee and to inform the Committee of progress against actions from previous meetings.	Operational	