

CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE
15 NOVEMBER 2018

Minutes of the meeting of the Corporate Resources Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold on Thursday, 15 November 2018

PRESENT: Councillor Clive Carver (Chairman)

Councillors: Haydn Bateman, Bob Connah, Patrick Heesom, Andrew Holgate, Richard Jones, Mike Lowe, Michelle Perfect, Vicky Perfect, Andy Williams and Arnold Woolley

SUBSTITUTES: Councillors: David Healey (for Paul Cunningham) and Gladys Healey (for Paul Johnson)

CONTRIBUTORS: Councillor Aaron Shotton, Leader and Cabinet Member for Finance; Councillor Billy Mullin, Cabinet Member for Corporate Management and Assets; Chief Executive; Chief Officer (Governance); Corporate Finance Manager; Senior Manager, Human Resources and Organisational Development; Finance Manager, Strategy Accounting & Systems; and Corporate Business & Communications Executive Officer

Richard Williams, Chief Executive of the Community Foundation in Wales (for minute number 64)

IN ATTENDANCE: Democratic Services Manager and Democratic Services Officer

52. DECLARATIONS OF INTEREST

Councillors David and Gladys Healey both declared personal interests in agenda item 10 as they were governors of Castell Alun High School (mentioned in the Capital Programme report).

On agenda item 14, the Chief Officer (Governance) advised that Members who were on the Council's internal grants panel did not need to declare an interest.

53. MINUTES

The minutes of the meeting held on 18 October 2018 were submitted.

RESOLVED:

That the minutes be approved as a correct record and signed by the Chairman.

54. ACTION TRACKING

The Democratic Services Manager presented the progress report on actions arising from previous meetings.

Councillor Heesom referred to the report on the cyclical maintenance survey of the Flintshire bridge which had been circulated and asked that Members be kept updated on any further reports. The Chief Executive agreed to check on the date of the next survey which was due in 2019 and asked that any questions on the survey be directed to the Chief Officer (Housing and Assets). In response to further comments, he agreed that an update on the Capital Strategy and Asset Management Plan would be scheduled for a future meeting.

RESOLVED:

That the report be noted.

55. FORWARD WORK PROGRAMME

The Democratic Services Manager presented the current Forward Work Programme for consideration.

On the budget process, the Chief Executive spoke about the possibility of a special meeting in January due to the timing of the Final Local Government Settlement falling after the December ordinary meeting.

Councillor Heesom said it was unclear how the revised Chief Officer portfolio responsibilities related to the respective Overview & Scrutiny Committees. The Chief Executive clarified that the Committee terms of reference were not organised around officer portfolios and that officers reported to multiple Committees as necessary.

RESOLVED:

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

56. (i) NATIONAL BUDGETS UPDATE; IMPLICATIONS AND UPDATED LOCAL FORECAST

(ii) BUDGET 2019/20 - STAGE 1 PROPOSALS - CORPORATE FINANCE

(iii) BUDGET 2019/20 - STAGE 2 PROPOSALS - ALL PORTFOLIOS

(iv) BUDGET 2019/20 - STAGE 2 PROPOSALS - CORPORATE SERVICES

The Chief Executive and Corporate Finance Manager gave a joint presentation on the staged annual budget process which covered the following:

- Introduction and purpose of budget reports
- Stage 1 of 2019/20 Budget
 - Corporate budget solutions

- Stage 2 of 2019/20 Budget
 - Summary of portfolio business plan proposals
 - Corporate Services business plan proposals
- Update on national budget position
- Chancellor's UK Budget Statement
- Updated local budget forecast 2019/20
- Strategic choices and options
 - Summary of Welsh budget position
 - Workforce sessions feedback
 - #BacktheAsk - campaigning position and public debate
 - #OurDay 20 November
- Next steps and timelines

Stage 1, which had been concluded, comprised solutions for corporate finance and the costs of the whole of the organisation as detailed in the report. Built into the £7.937m total was a minimum Council Tax rise of 4.5% which at this stage was for illustrative purposes only, net of the Council Tax Reduction Scheme. The reductions for Alternative Delivery Model (ADM) subsidies had been built into the business plans of those organisations. Supporting method statements were shared for each proposal, with the exception of the reduction in corporate management posts and new income streams where work was ongoing, and the transport anomalies review which reflected the outcomes of previous decisions on transport entitlement.

Stage 2 proposals comprised the resolutions from each of the Overview & Scrutiny committees reviewing their respective portfolios. These cost pressures, investments and efficiencies were to be recommended for adoption without exception. With income and workforce/targeted post reduction cost efficiencies accounted for elsewhere in the strategy, the total business plan portfolio efficiency proposals would contribute £0.630m to the projected budget gap. This included a total of £0.360m for Corporate Services for which the Chief Executive and Chief Officer (Governance) summarised their respective areas.

It was explained that any feedback from the Committee would be passed to Cabinet in considering the adoption of proposals for Stages 1 and 2, prior to submission to County Council.

During an update on the national budget position from the Chief Executive, Members were reminded that the Provisional Local Government Settlement indicated a 1% reduction in Aggregate External Finance (AEF) for Flintshire which equated to £1.897m when adjusted for transfers towards the national teachers' pay award and increased demand for free school meals.

Since the projected £13.7m budget gap reported in September, a number of changes to pressures and additional pressures had resulted in a revised budget gap of £13.9m. The impact of the cash reduction in AEF and implementation of Stage 1 and 2 proposals would leave a projected budget gap of £6.7m for 2019/20.

The Chief Executive advised that all Overview & Scrutiny committees had agreed that there was no scope for further major efficiencies beyond those already

identified. The only options for addressing the remaining budget gap were changes in Welsh Government (WG) funding and Council Tax setting. Feedback from two workforce sessions reinforced concerns about the extent and impact of the austerity measures.

Representations had been made through the Welsh Local Government Association (WLGA) on the inadequacy of the Provisional Local Government Settlement, particularly for Flintshire as one of those at the bottom of the Welsh funding table. At the forthcoming Council meeting, Members would be asked to support the launch of the #BacktheAsk campaign which consisted of a series of 'asks' to achieve fairer funding for councils in Wales. Even if met in full, the options (worth around £5.6m for Flintshire) could still result in a Council Tax increase of 7% - but would offset the need to introduce a much higher rise.

Councillor Shotton said that these 'asks' were mirrored by those being sought by the WLGA, including the need for flexibility on the additional funding for education and social care to help meet critical pressures and the new unallocated 'consequential' funding to be prioritised for councils. Whilst negotiations were continuing, support for the 'BacktheAsk' campaign was required to influence the Final Local Government Settlement due on 19 December.

During the meeting, the Chief Executive received confirmation that funding from the UK Government to meet the teachers' pay award for 2019/20 would be included in the Settlement, whilst the additional amount for the current year would be distributed as a specific grant.

Councillor Woolley proposed that the Committee fully supported the #BacktheAsk campaign. This was welcomed by the Chief Executive who said that further campaign information would be publicised.

Councillor Jones said that the indicative figure for Council Tax was a first for the Council and demonstrated the scale of the financial challenge. The Chief Executive gave a reminder that the WG Council Tax cap had been lifted and that the potential 7% quoted in the presentation included the 4.5% within the budget and was dependent on variables in the absence of no other solutions. An indicative annual increase of 3% had been set by the Council in the previous year. An illustrative 4.5% rise was shown on a similar principle noting that the financial challenges were much greater than previous years. In response to comments on the ratio of employees to spend, it was explained that the figures quoted in the earlier informal peer review report were not based on current data and were prior to the transfer of certain services to ADMs.

Councillor Shotton said that all of the 'asks' were reasonable and achievable. He welcomed signs of some positive movement in response to collective strong campaigning and spoke about the potential for discussions on the use of reserves and capital to help alleviate revenue pressures.

Officers provided clarification on efficiency figures for the Council Tax increase, corporate cost pressure reductions and portfolio pressures and investments. During discussion, the Chief Executive said that an information

session on understanding pension funding might assist Members. Following queries on transport cost efficiencies, officers agreed to provide responses on the total figure of £183K, the value of estimated fare revenue retained by operators and the viability of Option 2.

The Democratic Services Manager summarised the outcome of the debate in a series of resolutions which were agreed by the Committee.

RESOLVED:

- (a) That the Committee supports the Stages 1 and 2 budget proposals as detailed in agenda items 6-9 for recommendation to Cabinet and Council;
- (b) That the Committee notes the recommendations from the five other Overview & Scrutiny committees;
- (c) That the Committee fully supports the #BacktheAsk strategy; and
- (d) That the Committee accepts that the questions on transport costs will need to be addressed outside of the meeting before a response can be made, and notes that further work will be done on transport anomalies to establish whether the efficiency amount can be improved.

57. REVENUE BUDGET MONITORING 2018/19 MONTH 6 AND CAPITAL PROGRAMME MONITORING MONTH 6

The Corporate Finance Manager presented a report on the revenue budget monitoring position for the Council Fund and Housing Revenue Account (HRA), and the Capital Programme 2018/19 as at Month 6. Both would be considered by Cabinet on 20 November 2018.

Revenue Budget Monitoring

On the Council Fund, the operating deficit had been reduced by £0.081m to £0.222m. On the projected position of portfolios, an increase of £0.122m for Out of County Placements brought the in-year overspend to £1.585m.

It was estimated that 96% of overall planned efficiencies would be achieved by year end.

There was an update on the risks and impacts from school pressures in addition to notification that the additional funding for the teachers' pay award would be included as part of the Settlement.

The balance on Contingency Reserves was projected to be £7.469m at year end.

There was no change on the HRA where in-year spend was projected to be £0.067m lower than budget, leaving a year-end balance of £1.165m.

In response to queries from Councillor Jones, clarification was given on the distribution of the education funding contribution from Welsh Government through the school funding formula. The Chief Executive said that the position on car parking enforcement resources/overheads would form part of the review to be reported in December.

On the independent national inquiry into the handling of historic child sexual abuse claims, the Chief Officer (Governance) advised that costs were indicative at this stage, pending any further requests for information. In response to a question from Councillor Gladys Healey, explanation was given on the legacy of responsibility for the Council as the successor authority.

On Out of County Placements, it was clarified that the decrease to costs for the Education & Youth element was £0.027m rather than £0.058m.

Capital Programme

A summary of changes to the programme during 2018/19 indicated a revised budget total of £70.289m mainly due to changes in spend profiles and confirmation of grant funding in-year. Requests for carry-forward amounts totalling £2.246m were summarised in Table 3.

The overall funding position for the three year period showed a £8.577m shortfall prior to the realisation of additional capital receipts and/or other funding sources.

On the updated position for investment in county towns, Councillor Jones queried the breakdown of the Welsh Housing Quality Standard (WHQS) programme areas shown in Table 7. The Chief Executive said that information on the definition of those areas would be provided.

RESOLVED:

- (a) That the Committee supports the recommendations made in the Cabinet report for 20 November on the Revenue Budget Monitoring 2018/19 (Month 6) and confirms that there no other issues that it wishes to have raised at Cabinet; and
- (b) That the Committee notes the position on the Capital Programme 2018/19 (Month 6) and confirms that there are no issues which it wishes to have reported verbally to Cabinet.

58. COUNCIL PLAN 2018/19 - MID-YEAR MONITORING REPORT

The Corporate Business & Communications Executive Officer presented a high-level summary of mid-year progress on the Council Plan for 2017-23 providing analysis on areas of under-performance relevant to the Committee. Positive progress had been made in achieving actions, measures and risks for over 80% of the objectives.

Due to technical issues, it had not been possible to provide the usual detailed appendix and therefore a full report had been scheduled for the next meeting in December. Following a request previously made by Councillor Jones, work was underway on developing an illustration of the planning cycle for financial, business and performance planning. This would be shared at the January meeting, along with details of the range of performance information available to Overview & Scrutiny committees to draw upon for performance reporting.

Councillor Jones proposed that further consideration of the item be deferred to the December meeting when the full report would be available. This was duly seconded and agreed by the Committee.

RESOLVED:

That consideration of this report be deferred to the December meeting.

59. PEOPLE STRATEGY PERFORMANCE REPORT

The Senior Manager, Human Resources and Organisational Development presented a report giving a performance update on the People Strategy 2016-2019 with a summary of the five key strategic priorities for the remainder of 2018/19.

During 2017/18, good progress had been made on the delivery of the Apprenticeship Strategy, the downward trend in sickness absence levels and the enhanced learning and development offer. As one of the key priorities for 2018/19, significant work was being done to achieve an equitable, sustainable pay model.

In welcoming the positive report, Councillor Jones asked about the potential for achieving the 100% target on appraisal completion. The Senior Manager gave assurance that there was a high degree of challenge on Chief Officers to achieve this, and that whilst some portfolios came close to achieving the target, the difference in size between portfolios could distort figures.

Discussion took place on the suggestion for Chief Officers to attend future meetings to explain reasons for not achieving the target; a practice which had been successfully adopted at Audit Committee. Councillor Jones asked that this be put in place for the next update at the January meeting.

RESOLVED:

- (a) That the People Strategy Performance report and the progress that it illustrates be noted;
- (b) That the Senior Manager, Human Resources & Organisational Development be thanked for her work on the report; and
- (c) That an update be received in January and that any Chief Officers be present to explain the reasons if their areas have not achieved 100%.

60. WORKFORCE INFORMATION REPORT QUARTER 1

The Senior Manager, Human Resources and Organisational Development presented the workforce information report on Quarter 1 of 2018/19.

Detailed analysis and benchmarking were being undertaken to understand the reasons behind the fall in attendance figures. Whilst good progress had been made on performance appraisals, the achievement of the 100% target remained a priority. An improvement was reported in the level of spend on agency workers where the number of current placements had reduced to 52.

Councillor Jones commented on the need to reduce the number of long-term agency workers in permanent roles. The Senior Manager explained that the majority of those individuals had secured permanent employment and that there was an expectation on services to release those who had not.

RESOLVED:

- (a) That progress on the Workforce Information Quarter 1 report be noted; and
- (b) That the Senior Manager be thanked for the report.

61. FLINTSHIRE COMMUNITY ENDOWMENT FUND - ANNUAL REPORT

The Corporate Business & Communications Executive Officer introduced the update on progress and performance of the Flintshire Community Endowment Fund (the Fund) since last reported in January 2017. She introduced Richard Williams, Chief Executive of the Community Foundation in Wales (CFIW) who gave a presentation on the work of the Fund, covering the following:

- Community Foundation - update
- Fund history and overview
- Financial performance of the Fund
- Summary of grant awards and Fund for 2018/19
- Case studies

An update was also given on the Welsh Church Act Fund (WCAF) which had transferred to the CFIW, and the establishment of the Hawarden & District Property Relief Fund. In addition to good partnership working between the Council, the CFIW and Flintshire residents, opportunities were being explored to develop a number of new partnerships to benefit local communities. Investment managers were reviewed every three years to help achieve the aim to grow funds and build investment wisely for future generations. A 6.4% growth of the Fund was reported over the past 12 months although some cautious risk was noted for the year ahead. Of the £25,682 total of grants available for 2018/19, £6,779 had been awarded so far. The renewed approach was to identify ways of increasing diversity and make stronger connections by refining criteria and increasing promotion to raise awareness and make better use of funds. This was reflected in some of the stores shared on groups which had benefited.

In response to comments from Councillor David Healey, Mr. Williams clarified that individuals and groups were able to apply for grant funding. He agreed to speak with Councillor Healey about the example he had given. The Executive Officer advised that separate forms applied to individuals and organisations, both of which were available on the Council's website.

Councillor Heesom welcomed the progress which had been reported.

RESOLVED:

- (a) That the Committee supports the work of the Community Foundation in Wales on behalf of the Council; and
- (b) That Richard Williams, Chief Executive of the Community Foundation in Wales, be thanked for his attendance and contribution at the meeting.

62. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There was one member of the press in attendance.

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

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Chairman