

CABINET
18TH FEBRUARY 2020

Minutes of the meeting of the Cabinet of Flintshire County Council held in the Clwyd Committee Room, County Hall, Mold on Tuesday, 18th February 2020.

PRESENT: Councillor Ian Roberts (Chair)

Councillors: Glyn Banks, Chris Bithell, Derek Butler, Dave Hughes, Christine Jones, Billy Mullin and Carolyn Thomas.

IN ATTENDANCE:

Chief Executive, Chief Officer (Governance), Corporate Finance Manager, Chief Officer (Streetscene and Transportation), Chief Officer (Housing and Assets), Chief Officer (Social Services), and Team Leader – Democratic Services.

OTHER MEMBERS IN ATTENDANCE:

Councillor Patrick Heesom.

138. DECLARATIONS OF INTEREST

Councillor Bithell declared a personal interest in agenda item number 12 – Public Convenience in Mold Town Centre.

139. MINUTES

The minutes of the meeting held on 21st January were submitted and approved as a correct record.

RESOLVED:

That the minutes be approved as a correct record.

140. COUNCIL FUND REVENUE BUDGET 2020/21 STAGE THREE POST SETTLEMENT

The Chief Executive introduced the Council Fund Revenue Budget 2020/21 Stage Three Post Settlement report which set out how the Council could achieve a legal and balanced budget for 2020/21 for stage three of the budget setting process. The calculations were based on a maximum annual Council Tax rise of 5%.

The forecast for 2020/21 had been revised to take into account those 'open risks' for which financial provision needed to be made for the budget to be prudent. The work in hand on the remaining corporate financing options had since been completed and the outcomes were set out within the report. The report also explained the remaining 'open risks' for 2020/21. Copies of slides that would be presented to all Members at the meeting of County Council later that day were provided.

The Corporate Finance Manager explained that the teacher pay awards were to be paid from the overall uplift in funding announced in the Provisional Settlement.

Therefore, provision for a 2% uplift had been included in the budget at an additional cost of £0.726M. Additional pressures for Out of County Placements, the Coroner Service, and for the reduction in the Welsh Government Sustainable Waste Grant had been included together with an adjustment to the pressure for both the North Wales Fire and Rescue Levy. The cost pressure for SEN of £0.400M was removed from the forecast pending further information on the specific Welsh Government Grant and would be considered as an open risk in 2020/21. The adjustment to those pressures reduced the forecast gap from £15.629M which was reported to Council in December to £16.315M and he provided details of the budget solutions, as set out in the report, to close the gap. These included employer pension contributions, social care commissioning, and single person discount – review of entitlement. Having taken all of them into account, a gap of £0.246M remained.

Councillor Roberts read out a statement on behalf of himself, the Cabinet Member for Finance, the Chief Executive and the Corporate Finance Manager:

“Cabinet is both pleased and relieved to be able to recommend to Council a legal and balanced Council Fund Revenue Budget for 2020/21. Faced with having to bridge another large budget gap, this year in the region of £16m, the budget-setting process has once again been a monumental task.

As our report sets out, we have a remaining budget gap of £0.246m to close against the revised budget forecast of £16.315m.

To close this remaining gap at Stage Three of budget-setting, and based on officer advice (as set out in 1.42 of the report), we are prepared to bring into play the expected uplift in the social services specific grant. We estimate that the uplift in this grant for Flintshire will be £0.426m. Based on the latest national advice we are confident that we should be able to allocate this grant against pre-planned expenditure for social care for 2020/21. We will use £0.246m of this grant to close the reported gap.

We gave a commitment to cap any annual rise in Council Tax to 5.0%. Given that we should have £0.180M of additional social services specific grant uplift still remaining, having balanced the budget, we plan to reduce the planned increase in Council Tax to 4.75%.

The real increase in Council Tax for actual Council expenditure will be 4.5%. Once the increase in the levy of the North Wales Fire and Rescue Authority of 0.25% is added to our figure - we have a total of 4.75%. On our Council Tax bills the Fire and Rescue Authority levy is not shown separately. It is important that the public understand that the increase they will see on their bill covers both.

For the Council Tax payer the ‘bottom line’ average increase for a Band D household – once the Police precept and the precept for the Town and Community Councils have been included – comes out at 4.68%. The Council’s share of this charge comes out at £60.83 for the whole year, and £5.07 per month.

We do not set our Council Tax levels lightly. We would rather be setting a Council Tax nearer to CPI. However, the annual rise we are proposing is around the expected Welsh average, with some neighbours in North Wales having no choice but to set their Council Tax at a higher rate. Council Tax is becoming unsustainable and should not be relied upon by Governments to compensate for inadequate national funding settlements. Welsh Government itself has set a guideline figure for annual Council Tax rises across Wales of 7.1%. This is an admission by Welsh Government that its own funding is inadequate to meet need. By coming 2.35% under this guideline figure, Flintshire can demonstrate that it is shielding the Council Tax payer from unreasonable demands.

Although we are now in a position to balance our annual budget, something that seemed an improbability only four months ago, we are not in any way complacent. We will face a number of open risks in-year and, once again, will need to be prudent in managing our budgets tightly. Our reserves and balances are at their lowest ever level. It will be essential that we stabilise and then grow our reserves over the year to come.

Flintshire and all other councils in Wales now need certainty over future budgets from governments. We cannot go through this annual cycle of planning for the unknown – with all the worry and anxiety that this brings to so many people who depend on us.

We now call on the new UK Government to set out a three year forecast for public expenditure plans, to work with the devolved nations to mutually agree realistic growth plans for their devolved budgets, to prioritise finding a national solution to funding social care, and to set out a national strategy for funding public sector annual pay awards. We now expect annual uplifts in government funding from Welsh Government of a minimum 4%.

We support recommendations (1) to (8) in readiness for Council this afternoon, with the following amendments:-

Recommendation 5: 'That Cabinet recommends to Council a legal and balanced budget based on the calculations within this report and taking into full account (1) the contribution the additional national government funding will make (2) the Stage Three proposals for corporate financing solutions and (3) the expected uplift in the specific grant for social services of £0.426M'.

Recommendation 6: 'That Cabinet recommends an annual increase in Council Tax of 4.5% for Council needs. Once the levy of the North Wales Fire and Rescue Authority is added the full Council Tax increase will be 4.75%.'

Councillor Thomas commented on the need for a three year funding programme as Council's could not continue to operate and plan on a year by year basis.

The Chief Executive said if a funding floor was introduced, this would equate to approximately £0.500M for Flintshire County Council and that would be put into

reserves and balances to cover the risks identified. He expressed his thanks to officers in Streetscene and Transportation and Housing for the work undertaken during the recent storms.

RESOLVED:

- (a) That the revised budget forecast for 2020/21 (the forecast sets out the budget requirement for the financial year and the remaining budget gap to be closed at stage three) be noted and accepted;
- (b) That it be noted that (1) the revised forecast is based on a risk management strategy and (2) the 'open risks' which remain to be managed in the course of 2020/21;
- (c) That the analysis of the Provisional Local Government Budget Settlement, and the contribution the additional national funding will make to closing the remaining budget gap, be noted;
- (d) That the proposals from the completed work on corporate financing options to contribute to closing the remaining budget gap be approved;
- (e) That Cabinet recommends to Council a legal and balanced budget based on the calculations within the report and taking into full account (1) the contribution the additional national government funding will make; (2) the Stage Three proposals for corporate financing solutions and (3) the expected uplift in the specific grant for Social Services of £0.426M;
- (f) That Cabinet recommends an annual increase in Council Tax of 4.5% for Council needs. Once the levy of the North Wales Fire and Rescue Authority is added the full Council Tax increase will be 4.75%;
- (g) That the medium-term forecast as a basis for the next revision of the Medium Term Financial Strategy (MTFS) be noted; and
- (h) That the Council calls upon both Governments to commit to three-year medium-term.

141. TREASURY MANAGEMENT STRATEGY 2020/21

Councillor Banks introduced the Treasury Management Strategy 2020/21 report for approval and recommendation to County Council.

The report had been considered and supported by Audit Committee on 29th January 2020. Information in the report was supplemented by training provided to Members of the Council on 11th December 2019.

RESOLVED:

That the Treasury Management Strategy 2020/21 be approved for recommendation to County Council.

142. MINIMUM REVENUE PROVISION – 2020/21 POLICY

Councillor Banks introduced the Minimum Revenue Provision – 2020/21 Policy report which provided details of the requirement of local authorities each year to set aside some of their revenue resources as provision for the repayment of debt.

Approval of the report was sought for recommendation to County Council.

RESOLVED:

(a) That the following be recommended to County Council for Council Fund outstanding debt, that:

- Option 3 (Asset Life Method) be used for the calculation of the MRP in financial year 2020/21 for the balance of outstanding capital expenditure funded from supported borrowing fixed as at 31st March 2017. The calculation will be the ‘annuity’ method over 49 years.
- Option 3 (Asset Life Method) be used for the calculation of the MRP in 2020/21 for all capital expenditure funded from supported borrowing from 1st April 2016 onwards. The calculation will be the ‘annuity’ method over an appropriate number of years, dependent on the period of time that the capital expenditure is likely to generate benefits.
- Option 3 (Asset Life Method) be used for the calculation of the MRP in 2020/21 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

(b) That the following be approved and recommended to County Council for Housing Revenue Account (HRA) outstanding debt:

- Option 2 (Capital Financing Requirement Method) be used for the calculation of the HRA’s MRP in 2020/21 for all capital expenditure funded by debt

(c) That it be approved and recommended 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:

- No MRP is made during the construction period (of short duration) as the asset has not been brought into use and no benefit is being derived from its use

- Once the assets are brought into use, capital 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.

143. QUARTER 3 COUNCIL PLAN 2019/20 MONITORING REPORT

Councillor Mullin introduced the Quarter 3 Council Plan 2019/20 Monitoring Report which presented a summary of the monitoring of progress for the third quarter (October – December 2019).

The Chief Executive explained that it was a positive report, with 89% of activities being assessed as making good progress, and 89% likely to achieve the desired outcome. In addition, 81% of the performance indicators met or exceeded target. Risks were being successfully managed with the majority being assessed as moderate (71%) or minor/insignificant (18%).

RESOLVED:

- (a) That the levels of progress, performance and risk levels in the quarter three Council Plan 2019/20 monitoring report be noted and endorsed; and
- (b) Cabinet is assured by plans and actions to manage the delivery of the 2019/20 Council Plan.

144. REVENUE BUDGET MONITORING 2019/20 (MONTH 9)

Councillor Banks introduced the Revenue Budget Monitoring 2019/20 (Month 9) report which provided that latest detailed revenue budget monitoring position for 2019/20 for the Council Fund and the Housing Revenue Account for the financial year and presented the position, based on actual income and expenditure, as at Month 9. The report projected how the budget out stand at the close of the financial year if all things remained unchanged.

The Corporate Finance Manager explained that the projected year end position, without new actions to reduce cost pressures and/or improve the financial return on efficiency planning and cost control was:

Council Fund

- An operating deficit of £1.666M which was a favourable movement of £0.226M from the deficit figure of £1.892M reported at Month 8; and
- A projected contingency reserve balance as at 31st March 2020 of £3.203M.

Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.103M higher than budget which was a positive movement of £0.028M from the deficit figure of £0.131M reported at Month 8; and
- A projected closing balance as at 31st March 2020 of £1.220M.

The Corporate Finance Manager also provided details on the projected position by portfolio; tracking of in-year risks and emerging issues; achievement of planned in-year efficiencies; other in-year issues; MTFS impact and risks; and reserves and balances.

The report had been presented to Corporate Resources Overview and Scrutiny Committee where Members had expressed concern on school deficit budgets.

RESOLVED:

- (a) That the overall report and the projected Council Fund contingency sum as at 31st March 2020 be noted; and
- (b) That the projected final level of balances on the Housing Revenue Account (HRA) be noted.

145. CAPITAL PROGRAMME MONITORING 2019/20 (MONTH 9)

Councillor Banks introduced the Capital Programme Monitoring 2019/20 (Month 9) report which summarised changes made to the Capital Programme since it was set in February 2019, to the end of Month 9 (December 2019), along with expenditure to date and projected outturn.

The Capital Programme saw a net decrease of £19.009M during the period which comprised of:

- Net decreases of £13.544M (Council Fund £8.141M, Housing Revenue Account £5.403M);
- Carry Forward to 2020/21, approved at Month 6 of £5.115M; and
- Identified saving at Month 6 of £0.350M.

Actual expenditure was £43.367M.

The Corporate Finance Manager explained that the reported Month 6 funding position for the three year period ending in 2021/22 was a shortfall of £0.723M. In year receipts received had increased by £0.030M from Month 6 to give a revised projected shortfall in the Capital Programme at Month 9 of £0.693M for the 2019/20 - 2021/22 Capital Programme, prior to the realisation of additional capital receipts and/or other funding sources.

RESOLVED:

- (a) That the overall report be approved;
- (b) That the carry forward adjustments outlined in the report be approved;
- (c) That the funding of schemes from the current 'headroom' as outlined in the report, and the use of savings identified in the report, be approved; and
- (d) That the use of the Economic Stimulus funding be approved.

146. MARLEYFIELD HOUSE EXPANSION

Councillor Jones introduced the Marleyfield House Expansion report which outlined the current cost envelope for the project and the estimated cost for construction.

The design of the expansion demonstrated an innovative approach to supporting individuals in residential settings. The design was sympathetic to the topography of the site and allowed for increased usable outdoor space and accessibility to support the well-being of residents. It allowed increased operational functionality, a link with the existing facilities, and supported improved facilities for permanent residents who may be living with memory loss and dementia.

An initial cost analysis of the design, furniture and facilities in the building was estimated to be approximately £8.62M, with full details being outlined in the report. This was an increase since being reported to Cabinet in April 2019, when the estimated cost was reported as £7.6M. Reasons for the increase were also detailed in the report.

The Chief Officer (Social Services) said this was an innovative and exciting project which would have a positive impact and benefit for both existing and new residents. There would be extensive landscaping works to the external spaces that would facilitate movement across the home and an integration of the existing and new buildings. He also provided details of the timescales.

Councillor Roberts thanked everybody involved in the project which was a good example of the Council's vision for taking care of vulnerable members of the public. All other Members also welcomed the scheme which was a flagship programme for Flintshire.

RESOLVED:

- (a) That the current design for the extension including its affordability with the current estimated costs and funding envelope available be noted; and
- (b) That approval is given for the Council to enter into contract with the construction firm during March 2020, with delegated authority to the Chief Executive, Chief Officer (Social Services) and Chief Officer (Housing and

Assets) to negotiate the final cost plan, within a 5% variation of current estimates detailed in the report.

147. CARE INSPECTORATE WALES ACTIVITY UPDATE

Councillor Jones introduced the Care Inspectorate Wales (CIW) Activity Update report which summarised the findings of CIW following six days of focussed activity / engagement activity with Social Services.

CIW regulated social care and early year's services using the regulations and national minimum standards made by the National Assembly for Wales and Welsh Government (WG).

The Chief Officer (Social Services) explained that formal feedback from CIW on the activities undertaken in February, June and October 2019 had been positive and had highlighted a number of areas where the Council performed very well and where there was evidence of good outcomes being achieved for people in the community. A summary of the findings was outlined in the report, with areas for improvement being noted.

The next focussed activity would be in relation to progression for adults with a learning disability. CIW would be visiting individuals and employees involved with the progression service in February 2020, looking at processes, outcomes and aspirations for the service.

Councillor Roberts welcomed the report and commented on recent visits he had made to the departments where all employees were passionate about the services they provided.

RESOLVED:

- (a) That the positive feedback received from Care Inspectorate Wales following their recent focussed activity / engagement with Social Services be noted;
- (b) That the response to any areas of improvement identified by Care Inspectorate Wales during the year be noted; and
- (c) That Cabinet are informed about forthcoming focussed activity to be carried out by Care Inspectorate Wales in Flintshire.

148. PUBLIC CONVENIENCE IN MOLD TOWN CENTRE

Councillor Thomas introduced the Public Convenience in Mold Town Centre report which provided details of the proposals for the scheme for Mold.

The review that had been undertaken confirmed that a single high quality and well maintained facility should be provided in Mold Town Centre and that the facility should be located in the Bus Station in King Street which would support the Council's aspirations for the Transport Hub which was being developed at the site. Mold Town

Council had been given the opportunity to take on the management of the New Street facility and was currently being considered.

Given that there would be significant costs in bringing the New Street facility up to a suitable standards, the Town Council had agreed to work with the County Council to improve the facilities in King Street and utilise the land currently occupied by the New Street facility to the benefit of the residents in the town by increasing the car parking availability in New Street car park.

The wider project would consist of the following:

- Upgrade the existing King Street toilet facility to provide a high standard facility which could be sign posted from the town centre and provide facilities for bus users, visiting Mold or using the Transport Hub on their way to other locations;
- Complete the bus station improvement works, including the introduction of a one way system over the station and providing a holding point for coach parties visiting the town;
- Upgrade the Kiosk adjacent to the public convenience and actively seek to market the building for a small café or coffee vending business;
- Demolish the New Street toilet facility;
- Realign and redesign the car park to increase the capacity by 15 spaces;
- Provide two Electric Car charging points; and
- Resurfacing of New Street car park.

The scheme would be subject to a public consultation exercise and further discussions would be held with the bus operators operating from Mold bus station. The consultation process would also include feedback on the option to charge users of the facility, both to ensure funds were available to maintain the facility in future years and to provide a barrier to anti-social behaviour at the facility.

RESOLVED:

- (a) That Cabinet approve the upgrade to the existing public convenience facility at King Street Bus Station and that the toilet in New Street Car Park is demolished to increase parking availability, following the Town Council's decision not to take up the option to take on maintenance liability for the facility; and
- (b) That the completion of the Bus Station improvements be approved.

149. HOUSING RENT INCOME

Councillor Hughes introduced the Housing Rent Income report which provided details on the latest position for rent collection.

As reported previously to Cabinet, there had been a significant amount of work undertaken over the last six months to stabilise the rent arrears position, with the work involving:

- Increasing resources;
- Introducing early intervention;
- Adopting a more robust stance around the importance of paying non time; and
- Investing in new technology

All of that work had come together and for the first time since 2016/17 rent collections were improving and rent arrears were reducing. As detailed in the report, rent arrears in 2019/20, up to week 42, were £2.04M compared to £2.18M at the same point in 2018/19, showing a reduction of £143K.

The Chief Officer (Housing and Assets) said steady progress was being made to reduce rent arrears and that was being achieved as a direct result of:

- Increasing resources;
- Introducing an early intervention hub to assist those tenants at most risk of losing their homes;
- Adopting a more robust stance around the importance of paying rent on time; and
- Investing in Mobyssoft 'Rent Sense' software.

The Revenues service continued to take legal action as a last resort against those tenants who failed to engage and failed to pay rent on time. With approximately 7,100 tenancies, just 20 evictions had taken place so far in 2019/20 for serious rent arrears after all recovery remedies had been undertaken by the Council and only after the judicial system was satisfied that everything could be done and had been done to support the tenant.

The Revenues Manager said the impact of Universal Credit was evident on the graph in the report and despite the ongoing challenges of increasing numbers of tenants migrating away from Housing Benefit to the Universal Credit system, the housing service had worked hard to challenge the inevitable impacts that most social landlords experiences of rising rent arrears.

Members welcomed the report, particularly the early interventions to assist tenants.

RESOLVED:

That the latest financial position for rent arrears in 2019/20 be noted.

150. WELFARE REFORM UPDATE

Councillor Mullin introduced the Welfare Reform Update report which provided an update on the impacts that Universal Credit 'Full Service' and other welfare reforms were having on Flintshire residents and the work that was ongoing to mitigate it and support households.

The report covered the following, and details of the impact each one had in Flintshire:

- Removal of the Spare Room Subsidy;
- Benefit Cap;
- Universal Credit;
- Help to Claim Service;
- Universal Credit “Managed Migration”;
- Council Tax Reduction Scheme;
- Welfare Reform Team; and
- Discretionary Housing Payments.

Councillor Bithell welcomed the work being undertaken by the service to mitigate the full impacts of the reforms from falling upon vulnerable Flintshire residents. Councillor Thomas concurred and said that Flintshire County Council did not put itself forward for the pilot, it was imposed on the Council by Central Government, and she commented on the vast number of issues being experienced with Universal Credit.

On data not being available to the Council from Cheshire West Citizens Advice, the Chief Executive this was being escalated to ensure that information was available.

Councillor Thomas asked if a previous Cabinet resolution to write to Central Government outlining concerns had been carried out. The Benefits Manager explained that Torfaen County Borough Council had prepared a draft letter and she would share the content of that letter with Cabinet Members.

RESOLVED:

That the report and ongoing work to manage the impacts that Welfare Reforms has and will continue to have upon Flintshire’s most vulnerable households be supported.

151. REVIEW OF SIDEWAY-FORCE COEFFICIENT ROUTINE INVESTIGATION MACHINE (SCRIM) POLICY

Councillor Thomas introduced the Review of Sideway-Force Coefficient Routine Investigation Machine (SCRIM) Policy report which sought to align the Council’s own policy with the new Highway Maintenance Good Practice guidance.

RESOLVED:

- (a) That the reviewed Sideway-force Coefficient Routine Investigation Machine Policy and Operational Manual for managing Skid Resistance on the Adopted Highway Network be approved; and
- (b) That the review of the network to reclassify sites following changes to infrastructure and local speed limits be supported.

152. EXERCISE OF DELEGATED POWERS

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

Housing and Assets

- **Council Housing Rent – Write off of Former Tenancy Arrears Following Eviction**

Financial Procedure Rules (section 5.2) stipulates that individual and irrecoverable debts in excess of £5,000 are considered for write off in conjunction with the relevant Cabinet Member.

The decision to write off is in respect of 5 cases of unpaid rent in circumstances where the Council has already taken action to evict the tenants as a result of non-payment of rent. Following the steps taken to evict, the former tenancy arrears in each case are considered to be irrecoverable and there is no prospect of securing payment. The total amount of unpaid rent associated with the 5 cases is £35,046.55.

Streetscene and Transportation

- **Construction of Sinudoial Humps and Flat Top Raised Tables at Leaches Lane, Mancot Lane and Hawarden Way, Mancot**

To advise Members of the objections received following the advertisement of the proposed construction of sinudoial humps and flat top raised tables at Leaches Lane, Mancot Lane and Hawarden Way, Mancot.

- **Street Works Fees and Charges for 2020/21**

The fees and charges levied for various licenses and applications issued within Street Works have been reviewed and the proposed charges for 2020/21 are set out in the table.

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).

153. INSURANCE SERVICES TENDER 2020

The Corporate Finance Manager introduced the Insurance Services Tender 2020 report which provided details of a full OJEU tender exercise being undertaken which would be project managed by the Council's Brokers alongside procurement and insurance staff.

Contract Procedure Rules stated that any contract in excess of £2.000M required a report to Cabinet.

RESOLVED:

- (a) That the arrangements for the procurement of Insurance Services be noted; and
- (b) That, following a full and robust evaluation of submitted bids, authority be delegated to the Corporate Finance Manager to authorise the award of the Long Term Agreements to the successful bidders.

154. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There was one member of the press in attendance and no members of the public.

(The meeting commenced at 9.30 a.m. and ended at 11.21 a.m.).

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Chair